

ASX Announcement (ASX: PRY)

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RETAIL ENTITLEMENT OFFER – NOTIFICATION TO INELIGIBLE RETAIL SHAREHOLDERS

Primary Health Care Limited (ASX: PRY) attaches a copy of the notification that is being sent to ineligible retail shareholders today in relation to the Retail Entitlement Offer.

ENDS

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About Primary: For over 30 years, Primary Health Care has been one of Australia's leading listed healthcare companies with a commitment to supporting quality, affordable and accessible healthcare for all Australians. Through an expansive network of multi-disciplinary medical centres, pathology laboratories and diagnostic imaging centres, Primary provides world class facilities and support services to independent GPs, radiologists, specialists and other healthcare practitioners, enabling them to deliver quality care to patients in partnership with Primary's pathologists, nurses and other employees. Primary's 'medical home' model makes healthcare services easily accessible and cost efficient, while enabling the coordination and continuity of patient care.

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PRIVATE AND CONFIDENTIAL

27 August 2018

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Pro rata accelerated non-renounceable entitlement offer – Notification to Ineligible Retail Shareholders

On Monday, 20 August 2018, Primary Health Care Limited (ABN 24 064 530 516) ("**Primary Health Care**" or the "**Company**") announced that it was conducting a capital raising by way of a pro rata accelerated non-renounceable entitlement offer to eligible shareholders to subscribe for 1 new Primary Health Care share ("**New Shares**") for every 5.21 existing Primary Health Care ("**Existing Shares**") held at 7:00pm (Sydney time) on Wednesday, 22 August 2018 ("**Record Date**") to raise approximately A\$250 million ("**Entitlement Offer**").

The proceeds of the Entitlement Offer will be used by Primary Health Care to fund strategic growth initiatives and a potential acquisition (if it proceeds), as further described in the announcement released to ASX on 20 August 2018 in connection with the Entitlement Offer.

The Entitlement Offer is fully underwritten.

This letter is to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue entitlements or New Shares to you, nor an invitation for you to apply for entitlements or New Shares. You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.

What is the Entitlement Offer?

The Entitlement Offer comprises an institutional entitlement offer ("**Institutional Entitlement Offer**") and an offer to Eligible Retail Shareholders (as defined below) to participate on the same terms ("**Retail Entitlement Offer**"). The Entitlement Offer is being made by the Company in accordance with section 708AA of the Corporations Act 2001 (Cth) ("**Act**") as modified by Australian Securities and Investments Commission Corporations (Non-Traditional Rights Issue) Instrument 2016/84, meaning that no prospectus or other disclosure document under the Act needs to be prepared.

The Institutional Entitlement Offer has already closed and the results announced to the Australian Securities Exchange ("**ASX**") on Wednesday, 22 August 2018. Primary Health Care has today lodged a retail information booklet with the ASX, which sets out further details in respect of the Retail Entitlement Offer ("**Retail Information Booklet**").

What is the Retail Entitlement Offer?

The Retail Entitlement Offer involves an offer to Eligible Retail Shareholders of an entitlement to subscribe for 1 New Share for every 5.21 Existing Shares held at 7:00pm (Sydney time) on the Record Date, at a price of A\$2.50 (“**Offer Price**”) for each New Share (“**Entitlement**”).

As with the Institutional Entitlement Offer, the Retail Entitlement Offer is non-renounceable. A number of New Shares equal to the number that you would otherwise be entitled to subscribe for under the Retail Entitlement Offer will be subscribed for by the Lead Managers and sub-underwriters at the Offer Price (as defined above). As a result, no amount will be payable by you and you will not otherwise receive any value for Entitlements in respect of any New Shares that would have been offered to you if you were an Eligible Retail Shareholder (as defined below).

Who is eligible?

“**Eligible Retail Shareholders**” are those persons who:

- a) are registered as a holder of Existing Shares as at 7:00pm (Sydney time) on the Record Date;
- b) have a registered address on Primary Health Care’s share register in Australia or New Zealand (or are a shareholder that Primary Health Care has otherwise determined is eligible to participate);
- c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such a person holds Existing Shares for the account or benefit of such persons in the United States);
- d) were not invited to participate (other than as nominee, trustee or custodian in respect of other underlying holdings) in the Institutional Entitlement Offer and were not treated as an Ineligible Institutional Shareholder (as defined below) under the Institutional Entitlement Offer; and
- e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without a prospectus, disclosure document or any lodgement, filing, registration or qualification.

“**Ineligible Institutional Shareholders**” are those persons who were identified as an institutional shareholder by Primary Health Care and are not Eligible Institutional Shareholders (as defined in the Retail Offer Booklet).

“**Ineligible Retail Shareholders**” are those persons who were not identified as an institutional shareholder by Primary Health Care and are not Eligible Retail Shareholders.

Why am I not eligible to participate in the Retail Entitlement Offer?

Unfortunately, according to our records you do not satisfy the criteria for an Eligible Retail Shareholder. In compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Act, this notice is to inform you that under the terms of the Entitlement Offer, you are not entitled to participate in the Retail Entitlement Offer and as such, you will not be offered any New Shares or Entitlements under the Retail Entitlement Offer. You will not be sent a copy of the Retail Information Booklet.

The restrictions upon eligibility are due to a number of factors, including the legal limitations in some countries, the relatively small number of shareholders there, the small number and value of Existing Shares they hold and the potential cost of complying with regulatory requirements in those countries. Having given consideration to these factors, Primary Health Care has determined that, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3)(a) of the Act, it would be unreasonable to make the Retail Entitlement Offer to shareholders resident in any country outside of Australia and New Zealand. The Lead Managers and each of their affiliates and related bodies corporate and each of their respective directors, officers, partners, employees, advisers and agents disclaim any liability in respect of any determination as to eligibility, to the maximum extent permitted by law.



As the Retail Entitlement Offer is non-renounceable, Entitlements in respect of the New Shares you would have been offered if you were an Eligible Retail Shareholder will lapse and you will not receive any payment or value for those Entitlements. Further details in respect of the Entitlement Offer (including details of eligibility) can be found on the announcements platform of the ASX (www.asx.com.au).

On behalf of the Company, we thank you for your continued support of Primary Health Care.

Yours sincerely,



Charles Tilley
Company Secretary
Primary Health Care Limited

Further information

If you have any questions, you should seek advice from your stockbroker, accountant or other independent professional adviser or the Primary Health Care Limited Entitlement Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) at any time between 8:30am to 5:00pm (Sydney time) on Monday to Friday, up to the closing date of the Retail Entitlement Offer at 5:00pm (Sydney time) on Friday, 7 September 2018.

Disclaimer

This letter is issued by Primary Health Care. This letter is not a prospectus or offering document under Australian law or under any other law. This letter is to inform you about the Retail Entitlement Offer only. It is neither an offer to issue shares to you, nor an invitation or recommendation for you to retain or apply for New Shares. You are not required to do anything in response to this letter.

No action has been or will be taken to register, qualify or otherwise permit a public offering of the Entitlements and the New Shares under the Retail Entitlement Offer in any jurisdiction outside Australia and New Zealand. The materials relating to the Entitlement Offer may not be distributed in the United States or in any other jurisdiction in which such an offer or solicitation would be illegal. This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The Entitlements and the New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up or exercised by persons in the United States, and the New Shares may not be offered or sold, directly or indirectly, in the United States, unless such Entitlements or New Shares are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction in the United States.