

ASX Announcement (ASX: PRY)

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RETURN ON INVESTED CAPITAL – TARGETS FOR FY 2019 LONG TERM INCENTIVE PLAN

In advance of its upcoming Annual General Meeting on 22 November 2018, Primary Health Care Limited (**Primary**) announces the Board-approved metrics for FY 2019 Return on Invested Capital (**ROIC**)¹ under its Long Term Incentive Plan (**LTIP**) for executives, as follows:

Performance Level	ROIC %
Threshold	7.1%
Target	7.3%
Stretch	7.5%

The target FY 2019 ROIC of 7.3% compares to target and actual² ROIC in periods since the introduction of the LTIP, as follows:

	Target	Actual ²
FY 2019	7.3%	n/a
FY 2018	8.4%	6.1%
FY 2017	8.4%	6.3%
FY 2016	7.4%	6.6%

The ROIC metrics for FY 2019 align to the targets in the recent \$250 million capital raising. Nevertheless, the raising itself causes a short-term dilution in ROIC as EBIT growth will be delivered progressively as the capital is deployed over the next five years.

ENDS

- [1] ROIC accounts for 50% of LTIP and is calculated as the underlying EBIT performance of the company as a percentage of total invested capital. It is assessed annually and averaged over the three-year measurement period, which for FY 2019 is financial years 2019-2021 inclusive.
- [2] These figures are based on Primary's actual performance only in the completed financial years of the relevant three-year measurement period. For FY 2016, the measurement period is now complete and no LTIP has been granted.

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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.