

Issue of Options to Medical Practitioners

PHC, through a wholly owned subsidiary, provides medical centre management services. PHC is to offer to grant options to individual medical practitioners who, as independent operators, provide medical services to patients at medical centres operated by the PHC group.

Each option entitles the holder to subscribe for one ordinary, fully paid share in the capital of the company. The maximum number of options to be offered is 1,331,000. No consideration is payable by any person in respect of the options granted.

The amount payable on the exercise of each option is \$4.10. The exercise price has been calculated as the average weighted market price preceding the offer.

The options are exercisable at various times in the future with the first exercise date of any option offered being 6 January 2005. Each option will lapse if the medical practitioner ceases to receive medical centre management services from the PHC group.

The final number of options to be issued will be dependant on the acceptance rate by medical practitioners to whom the offer is made. This will be finalised by Monday 11 August 2003.

The issue of options to such medical practitioners is seen as a further development by the Company in the maturing of its core medical centre business. In March 2003 the PHC group issued an initial tranche of 3,482,000 options to medical practitioners.

The proposal aims to give such medical practitioners a sense of ownership and allow them participation in the Groups future. The plan rewards long-term commitment.

The grant of the options does not require shareholder approval.

It is envisaged that there will be further option issues at later dates including to those who do not currently qualify as recipients.

