



24 November 2014

Company Announcements Office  
Australian Stock Exchange  
20 Bridge Street  
Sydney NSW 2000

## **ASX Release**

### **Chairman's Address, 2014 Annual General Meeting**

Good morning Ladies and Gentlemen,

I have pleasure in presenting to you Pulse Health Limited's annual report for the financial year ended 30 June 2014 (FY14). This is my seventh report as your chairman and I believe that the company has never been as financially strong or as well positioned for growth as it is today.

I am also delighted to inform you that for the first time, the Board declared fully franked dividends of 0.5 cents per share.

Reported net profit after tax is \$875k and after excluding one off items, underlying net profit is \$1.85m.

The last two years have been focussed on strengthening the balance sheet and getting the right foundations in place from which to grow and deliver value to shareholders. The new Shared Services platform, together with strengthened management capability at senior executive and hospital level and a stronger balance sheet following the recent \$30m capital raising, all position the company for growth.

The dynamics in the private health care industry continue to be favourable. Government policy continues to encourage private health insurance, and coverage rates remain high – steady at 47%. While data shows more exclusions in terms of what people are covered for, with some people seeking less expensive policies, the general work of private hospitals remains well supported by high private health insurance coverage. Demographics further support growth in the sector, with the ageing population driving growing demand for hospital intervention.

The declaration of our maiden dividend, together with the soundness of the company's financial position, adds to the attractiveness of the company's investment profile. The full repayment of debt following the raising of \$30 million capital provides a strong base for the funding of growth through a mix of debt and equity, for acquisitions and greenfield or brownfield developments in accordance with our strategy.

Pulse's strategy is to grow as a niche operator of specialist private hospitals. We will acquire or develop hospitals in locations in which specialist doctors want to work and live, working collaboratively with these doctors to develop specialised centres of excellence to provide high quality care to patients. The hospitals we develop or acquire



will be smaller and probably focused exclusively on surgery, or rehabilitation or mental health.

As a private hospital operator that is not wedded to large multi-service line hospitals with high numbers of beds, I believe that Pulse is ideally placed to meet the growing demand for more niche, individualised service provision via targeted investment in high quality, well located, specialised facilities.

I take this opportunity to thank my fellow directors, especially Craig Coleman, for their commitment to driving and supporting growth and performance in the business. And I thank all staff for a year of very hard work in driving through the many changes so successfully, while ensuring great quality care for patients and great service to our doctors.

**Stuart James**

Chairman  
24 November 2014

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For more information on **Pulse Health** please visit [www.pulsehealth.net.au](http://www.pulsehealth.net.au)