



30 November 2016

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

ASX Release

Chairman's Address, 2016 Annual General Meeting

Good Afternoon Ladies & Gentlemen,

Dear Shareholder,

I have pleasure in presenting to you Pulse Health Limited's annual report for the financial year ended 30 June 2016 (FY16). This, my ninth report to you, describes another year of good growth, but also a year of challenging trading conditions for our rehabilitation hospitals.

Underlying EBITDA was \$9.1m from established businesses, excluding one-off items, acquisition costs and greenfield ramp-up losses, against guidance to the market on 25 May for underlying EBITDA of between \$8.7m and \$9.9m.

Successful execution of our growth strategy continued, with the addition of four day surgeries and a new greenfield specialist surgical hospital in Australia, together with a specialist surgical hospital in New Zealand. This brings our asset portfolio to thirteen.

Whilst the immediate focus of our management team is on integration of these newly acquired hospitals and day surgeries, as well as the development of additional revenue streams for our rehabilitation hospitals and the ongoing ramp-up of our new Gold Coast Surgical Hospital, our growth strategy remains unchanged. In time we expect to add further high quality, well located specialist mental health or surgical hospitals and day surgeries through acquisition, or through greenfield developments executed in partnership with doctors.



I remain very positive about the long term fundamentals of the private health sector. Demand will continue to grow due to the ageing population, the growth in chronic and degenerative disease, and advancements in medical technology that render more procedures and interventions possible and desirable. These growth factors will increasingly challenge the ability of public hospitals to cope, a factor that is driving Government policy to remain supportive of private health insurance coverage.

We paid a fully franked dividend of 0.3 cents per share for the first half of FY16. We have not declared a further dividend for FY16 because we believe it to be more prudent to strengthen the flexibility of our balance sheet.

As always I take this opportunity to thank the staff and doctors at all of our hospitals, my fellow Directors and our management team for their hard work and commitment throughout the year.

Stuart James

Chairman
30 November 2016

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For more information on **Pulse Health** please visit www.pulsehealth.net.au