

ASX Announcement (ASX: PRY)



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PRIMARY ANNOUNCES THE SALE OF MEDICAL DIRECTOR

Primary Health Care Limited ("Primary") today announced that it has entered into a binding agreement to sell 100% of its Medical Director business to funds advised by Affinity Equity Partners ("Affinity") for \$155 million.

Primary's Managing Director, Peter Gregg, said: "The successful sale of Medical Director, at an attractive multiple, delivers on one of the key capital recycling initiatives from the Strategic Review. Through the progressive execution of these initiatives, we are creating the flexibility to strengthen our balance sheet and to fund future growth from the existing capital base. This sale, together with the proceeds from the Barangaroo property, reduces our 31 December 2015 net debt position to approximately \$900 million¹.

"Primary will continue its partnership with Medical Director, as a long-term customer utilising its existing products and services. Importantly, Primary has also secured in principle agreement with Medical Director for the development of, and access to, next generation clinical and practice management software solutions.

"I would like to thank the employees of Medical Director for their valuable contribution to the Primary Group over the years and wish them well for an exciting future in partnership with Affinity," Mr Gregg concluded.

Sam Johnson, Managing Director of Australia and New Zealand at Affinity, commented: "Medical Director is positioned to capitalise on the growth in the global healthcare technology industry. The business has a highly experienced and entrepreneurial management team led by Matt Bardsley and Phil Offer and has a track record of developing market-leading software products. We are excited about partnering with the team to accelerate Medical Director's growth and to extend on its reputation for delivering new and innovative products and services to its customers."

The sale, which remains subject to satisfaction of certain customary conditions² and certain potential adjustments, is expected to complete prior to the end of FY 2016.

ENDS

¹ On a proforma basis prior to any potential tax payable on the sale proceeds.

² Conditions include FIRB approval and third party consents.

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About Medical Director

Medical Director (formerly Health Communication Network or HCN) has been supporting healthcare professionals and improving health outcomes for more than 20 years. A leading provider of clinical and enterprise software solutions to general practitioners, medical specialists and allied health professionals, Medical Director captures over 60 million patient consultations per annum. The company is focused on developing state-of-the-art technology and cutting edge tools tailored specifically for the healthcare sector. It is supported by dedicated software development and customer service teams who are committed to delivering outstanding service and products. Medical Director also provides clinical knowledge solutions to governments, hospital and community pharmacies and other healthcare providers.

About Affinity Equity Partners

Affinity Equity Partners (“Affinity”) is a leading Asia Pacific investment firm founded in 1998. Affinity has approximately US\$8 billion of assets under management, making it one of the largest private equity firms in the region, with offices in Sydney, Hong Kong, Singapore, Seoul, Beijing and Jakarta. Affinity seeks to create value by partnering with strong management teams and businesses with significant growth prospects which can be accelerated and enhanced through Affinity’s unique operational expertise and experience. Affinity’s other Australian investments include a 35% stake in Virgin Australia’s Velocity Frequent Flyer program and TEG, Australasia’s leading ticketing, live entertainment and data analytics company.