



FY14 Highlights

29 August 2014

Australian Securities Exchange Limited

PULSE HEALTH DECLARES MAIDEN DIVIDEND

Highlights

- Strengthened balance sheet to support intended acquisitions
- Shareholders will receive a maiden fully franked dividend of 0.5 cents per share
- A number of key initiatives implemented during the year, the full benefits of which will be realised in future years
- Group revenue up 9% to \$52.4m
- Underlying EBITDA-R* increase of 9% to \$8.7m (2013 \$8.0m)
- Operating cashflow increased 53% to \$2.3m (2013 \$1.5m)

Specialist and regional private hospital operator **Pulse Health Limited (ASX Code: PHG or the "Company")**, today announced a maiden dividend to shareholders following a year of revenue and profit growth.

The company reported today that revenue had increased 9% to \$52.4m for the financial year ended 30 June 2014, driven by additional capacity across sites and increased surgical activity.

The EBITDA-R* increase of 9% to \$8.7m reflected the general improvement in hospital margins achieved over the year.

Shareholders would receive a maiden fully-franked dividend of 0.5 cents per share.

A number of key initiatives in the financial year ended June 2014 have positioned the company for future sustainable earnings growth, on the back of modest revenue and EBITDA-R growth.

- Two brownfield expansions executed
- New senior management team

* Non AIFRS financial information refer to appendix 1



- New hospital management model, with clear single point accountability via a General Manager at each hospital
- New scalable corporate shared services platform, with centralised finance, HR, payroll, quality and compliance functions
- New payroll system across all hospitals, with automated Time and Attendance system
- Growth strategy refined
- \$30m capital raised, the first acquisition delivered and debt fully repaid
- Group procurement contracts for major consumables

Growth through acquisition and development

Pulse's strategy is to grow as a niche operator of specialist private hospitals. The company's acquisition and development pipeline is focused on single service boutique hospitals, which could be Rehabilitation, Surgery or Mental Health hospitals.

The company acquired the North Mackay Private Hospital in June, a 34 bed specialist rehabilitation hospital in Mackay, Queensland, with substantial brownfield opportunities.

Pulse has one acquisition opportunity - with exclusivity - under due diligence, and a number of other promising acquisition and development opportunities in the pipeline.

Outlook

Having established these solid foundations for growth in FY14, Pulse anticipates FY15 underlying EBITDA growth from existing assets in excess of 20% above FY14.

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



Appendix 1

The directors believe the presentation of non-AIFRS financial information is useful for readers of this document as it provides information on the company's profit results that is consistent with equity valuation and investment research methodologies generally adopted in Australia.

The following table reconciles the reported AIFRS profit result in the Statement of Profit and Loss appearing in the attached financial report to underlying operating EBITDA and NPAT.

	2014 \$'000	2013 \$'000
Net profit after tax as reported	875	2,734
Income tax expense	78	840
Depreciation and amortisation	760	754
Finance costs (net)	1,533	2,408
Rent paid	3,972	3,261
Acquisition activity expenses and associated costs	825	546
Goodwill Impairment	-	997
Gain on Westmead finance lease restructure (profit)	-	(4,153)
Termination Payments	130	407
Loss on discontinued recruitment business	-	176
Relocation costs	118	-
Provision for superannuation	360	-
EBITDA-R *	8,651	7,970
Rent paid	(3,972)	(3,261)
EBITDA *	4,679	4,709
Depreciation and amortisation	(760)	(754)
EBIT *	3,919	3,955
Finance costs (net)	(1,533)	(2,408)
Profit before tax	2,386	1,547
Income tax expense	(531)	(1,183)
Net profit after tax before significant items *	1,855	364

* Non AIFRS financial information