

# Appendix 4D

## Results for announcement to the market

### Pulse Health Limited (ACN 104 113 760)

*This half-year report is provided to the Australian Securities Exchange (ASX) under ASX listing Rule 4.2A.3.*

Current reporting period: Half – Year ending 31 December 2014

Previous corresponding period: Half – Year ending 31 December 2013

<b>Results</b>		<b>Percentage Change</b>	<b>31 Dec 2014 \$'000</b>	<b>31 Dec 2013 \$'000</b>
		<b>%</b>		
Revenue	up	12%	29,721	26,513
Net profit after tax attributable to members	up	36%	1,266	933
Earnings per share - basic (cents)	down	-6%	0.77	0.82
Net tangible assets per share (cents)	up	-	13.0	-0.01

	<b>Amount per security (cents)</b>	<b>Franked amount per security (cents)</b>
<b>Dividend (interim)</b>	0.3	0.3

The Pulse Dividend Reinvestment Plan (DRP) will apply to this dividend.  
There is no DRP discount for the interim dividend.

### Key Dates

Dividend record date	6 <sup>th</sup> March 2015
Dividend payment date	1 <sup>st</sup> April 2015
Last date for DRP election notices	18 <sup>th</sup> March 2015

## Overview of Financial Performance

### I. Profit Summary

The reported revenues for IH15 have increased by 12% to \$29.7m (IH14:\$26.5m), with underlying EBITDA (being the operating result of the Group before significant items) increasing 11% to \$2.9m (IH14:\$2.6m). The reported net profit after tax for the period ended 31 December 2014 was \$1.3m (2013: \$0.9m). After excluding significant items, the net profit after tax was \$1.9m, an 102% increase on the prior period.

After excluding the ramp-up losses incurred at Mackay Group EBITDA-R increased by 22%. This margin improvement was driven by the back-office savings from the establishment of centralised shared services together with improved skill-mix and roster management, and procurement savings.

<b>\$'000</b>	<b>IH15</b>	<b>IH14</b>	<b>▲ %</b>
Revenue	29,721	26,513	12%
EBITDA-R (underlying) *	5,215	4,558	14%
EBITDA (underlying) *	2,891	2,606	
EBIT (underlying)*	2,395	2,271	
Interest expense (net)	70	(967)	
<b>Profit before tax (underlying)</b>	<b>2,465</b>	<b>1,304</b>	<b>89%</b>
Tax	(578)	(371)	
<b>Net profit after tax (underlying)</b>	<b>1,887</b>	<b>933</b>	<b>102%</b>
<b>Significant items non-recurring items*</b>			
Acquisition activity expenses and associated costs	(308)	-	
Impairment charge	(313)	-	
<b>Net profit after tax as reported</b>	<b>1,266</b>	<b>933</b>	<b>36%</b>
EPS basic - NPAT before significant items	1.15	0.82	
EPS basic - NPAT as reported	0.77	0.82	

\* Non AIFRS financial information is reconciled to AIFRS information below

## 2. Balance Sheet

The table below summarises the balance sheet position of the company.

<b>\$'000</b>	<b>Dec-14</b>	<b>FY14</b>
Total equity	52,523	52,074
Cash	7,058	7,007
Borrowings	288	333
Net debt / (cash)	(6,770)	(6,674)
NTA	21,227	20,439
Gearing (%) #	N/A	N/A
NTA per share (cents)	13.0	12.5

# calculated as net debt / (net debt + shareholders equity)

## 3. Review of Operations

The company's continuing business operations are reported under two operating segments based upon service groupings.

\$ 000	Revenue			EBITDA *		
	I H 15	I H 14	Δ %	I H 15	I H 14	Δ %
Private hospitals	28,224	25,013	13%	3,955	3,979	-1%
Community care	1,418	1,477	-4%	(16)	(32)	-48%
Sub-total	29,642	26,490	12%	3,939	3,947	
Segment EBITDA* /Revenue Margin %						
- Private hospitals	14%	16%				
- Community care	-1%	-2%				
Corporate & Shared Services	79	23		(1,048)	(1,341)	
Consolidated	29,721	26,513	12%	2,891	2,606	11%
EBITDA* / Revenue Margin %	10%	10%				

## 4. Outlook

With established sites continuing to perform well we reaffirm earnings guidance for full year FY15 EBITDA growth in excess of 20% above FY14 from existing assets.

A further update will be provided to investors later in the second half of FY15.

## 5. AIFRS Reconciliation (not subject to Audit review)

The directors believe the presentation of non-AIFRS financial information is useful for readers of this document to provide information of 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 Comprehensive Income appearing in the attached interim financial report to underlying operating EBITDA and NPAT.

	IH15 \$'000	IH14 \$'000
<b>Net profit after tax as reported</b>	<b>1,266</b>	<b>933</b>
Income tax expense	578	371
Depreciation and amortisation	496	335
Finance costs (net)	(70)	967
Rent expense	2,324	1,952
Acquisition activity expenses and associated costs	308	-
Impairment charges	313	-
<b>EBITDA-R *</b>	<b>5,215</b>	<b>4,558</b>
Rent paid	(2,324)	(1,952)
<b>EBITDA *</b>	<b>2,891</b>	<b>2,606</b>
Depreciation and amortisation	(496)	(335)
<b>EBIT *</b>	<b>2,395</b>	<b>2,271</b>
Finance costs (net)	70	(967)
<b>Profit before tax</b>	<b>2,465</b>	<b>1,304</b>
Income tax expense	(578)	(371)
<b>Net profit after tax before significant items *</b>	<b>1,887</b>	<b>933</b>

\* Non AIFRS financial information

For the first half of 2015 the following significant and non-recurring expenses were incurred:

- During the period the Company incurred corporate acquisition and integration costs of \$0.308m in the development of the Gold Coast Surgical Hospital, together with costs associated with development of the acquisition pipeline
- The goodwill impairment relates to the North Coast Community Care cash generating unit following management's assessment of its current operating performance against expected results.

**Pulse Health Limited**

**A.B.N. 69 104 113 760**

**Interim Financial Report**

**31 December 2014**

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**DIRECTORS REPORT  
31 DECEMBER 2014**

Your Directors present their report on the consolidated entity (referred to hereafter as the “consolidated entity”) consisting of Pulse Health Limited (referred to hereafter as the “company” or the “Parent company”) and the entities it controlled at the end of, or during, the half-year ended 31 December 2014.

**Directors**

The following persons were Directors of Pulse Health Limited during the whole of the half-year and up to the date of this report, unless otherwise stated:

Mr. Stuart James	( Chairman )
Mr. Craig Coleman	( Non Executive Director )
Ms Phillipa Blakey	( Managing Director & CEO )

**Principal Activity**

The principal activity of the consolidated entity during the half year was the operation of private hospitals and related health care focused organisations.

**Review of operations**

The profit for the consolidated entity after providing for income tax amounted to \$1,266,000 (31 December 2013: \$933,000).

The primary driver of the uplift in profit after tax can be attributed to increased activities at most hospital, and removal of financing charges when all interest bearing debt was repaid in June 2014.

**Significant changes in the State of Affairs**

There were no significant changes in the state of affairs of the consolidated entity for the half year ended 31 December 2014.


**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

**Rounding of amounts**

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the “rounding off” of amounts in the directors’ report and financial report. Amounts in the directors’ report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

  
Mr Stuart James  
Chairman

Sydney, 24 February 2015



## DECLARATION OF INDEPENDENCE BY PAUL BULL TO THE DIRECTORS OF PULSE HEALTH LIMITED

As lead auditor for the review of Pulse Health Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Pulse Health Limited and the entities it controlled during the period.



Paul Bull  
Partner

BDO East Coast Partnership

Sydney, 24 February 2015

# Pulse Health Limited

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Notes	For the half year ended December 31	
		2014 \$000's	2013 \$000's
<b>Revenue from continuing operations</b>		<b>29,721</b>	<b>26,513</b>
Employee benefits expense		(17,153)	(15,190)
Rent and outgoings		(2,826)	(2,410)
Medical consumables and supplies		(2,774)	(2,415)
Repairs and maintenance		(436)	(574)
Medical contractors		(1,172)	(1,287)
Professional fees		(114)	(70)
Finance costs		(9)	(967)
Corporate, acquisition and integration costs		(308)	-
Depreciation and amortisation expense		(496)	(335)
Impairment charges	3	(313)	-
Other expenses		(2,276)	(1,961)
<b>Profit from continuing operations before income tax</b>		<b>1,844</b>	<b>1,304</b>
Income tax expense		(578)	(371)
<b>Profit from continuing operations after income tax</b>		<b>1,266</b>	<b>933</b>
<b>Other Comprehensive Income</b>			
Items that may be reclassified subsequently to Profit or loss		-	-
Items that will not be reclassified subsequently to Profit or loss		-	-
<b>Other Comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income is attributable to owners of the company</b>		<b>1,266</b>	<b>933</b>
<b>Earnings per share from continuing operations</b>			
Basic (cents per share)		0.77	0.82
Diluted (cents per share)		0.77	0.82

The accompanying notes form part of these financial statements.

# Pulse Health Limited

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

		Consolidated	
	Note	31 Dec 2014 \$000's	30 Jun 2014 \$000's
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		7,058	7,007
Trade and other receivables		7,749	7,067
Inventories		808	854
Other current assets		4	-
Total Current Assets		15,619	14,928
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment		13,240	13,441
Deferred tax assets		2,609	2,753
Intangible assets		31,297	31,635
Total Non Current Assets		47,146	47,829
<b>TOTAL ASSETS</b>		62,765	62,757
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		4,366	4,589
Current Tax Liabilities		502	278
Borrowings		90	90
Provisions		2,837	3,124
Other liabilities		413	408
Total Current Liabilities		8,208	8,489
<b>NON CURRENT LIABILITIES</b>			
Borrowings		198	243
Deferred tax liabilities		-	4
Provisions		520	465
Other liabilities		1,316	1,482
Total Non Current Liabilities		2,034	2,194
<b>TOTAL LIABILITIES</b>		10,242	10,683
<b>NET ASSETS</b>		<b>52,523</b>	<b>52,074</b>
<b>EQUITY</b>			
Contributed equity	4	56,288	56,351
Share based payment reserve		143	76
Accumulated losses		(3,908)	(4,353)
<b>TOTAL EQUITY</b>		<b>52,523</b>	<b>52,074</b>

The accompanying notes form part of these financial statements.

# Pulse Health Limited

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Contributed equity	Share based payment reserve	Accumulated losses	Total Equity
	\$000's	\$000's	\$000's	\$000's
<b>Balance as at 1 July 2014</b>	56,351	76	(4,353)	52,074
Profit after income tax for the half year	-	-	1,266	1,266
Other comprehensive income for the half yet net of tax	-	-	-	-
<b>Total Comprehensive Income for the half year</b>	-	-	<b>1,266</b>	<b>1,266</b>
<b>Transactions with owners in their capacity as owners :</b>				
Deferred tax asset movement on capital raising costs	(63)	-	-	(63)
Share based payments	-	67	-	67
Dividends paid	-	-	(821)	(821)
<b>Balance at 31 December 2014</b>	<b>56,288</b>	<b>143</b>	<b>(3,908)</b>	<b>52,523</b>
<b>Balance as at 1 July 2013</b>	27,513	-	(5,228)	22,285
Profit after income tax for the half year	-	-	933	933
Other comprehensive income for the half yet net of tax	-	-	-	-
<b>Total Comprehensive Income for the half year</b>	-	-	<b>933</b>	<b>933</b>
<b>Transactions with owners in their capacity as owners :</b>				
Deferred tax asset movement on capital raising costs	(30)	-	-	(30)
Share based payments	-	2	-	2
Dividends paid	-	-	-	-
<b>Balance at 31 December 2013</b>	<b>27,483</b>	<b>2</b>	<b>(4,295)</b>	<b>23,190</b>

The accompanying notes form part of these financial statements.

# Pulse Health Limited

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Notes	For the half year ended December 31	
		2014 \$000's	2013 \$000's
<b>Cash flows from operating activities</b>			
Receipts from customers (incl GST)		29,203	27,357
Payment to suppliers and employees (incl GST)		(27,648)	(24,253)
		1,555	3,104
Income tax paid		(275)	-
Interest paid		(9)	(842)
<b>Net cash inflow from operating activities</b>		1,271	2,262
<b>Cashflow from investing activities</b>			
Payments for plant and equipment		(433)	(1,478)
Interest received		79	10
Dividend paid	5	(821)	-
<b>Net cash (outflow) from investing activities</b>		(1,175)	(1,468)
<b>Cash flows from financing activities</b>			
Finance lease payments		(45)	-
Repayment of borrowings		-	(684)
<b>Net cash (outflow) inflow from financing activities</b>		(45)	(684)
<b>Net increase/(decrease) in cash and cash equivalents</b>		51	110
<b>Cash and cash equivalents beginning of the period</b>		7,007	2,020
<b>Cash and cash equivalents at end of the period</b>		7,058	2,130
Represented by:			
Cash and Cash equivalents		7,058	2,130
		7,058	2,130

The accompanying notes form part of these financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

**1. Corporate information**

The financial report of Pulse Health Limited and controlled entities for the half year ended 31 December 2014 was authorised for issue in accordance with a resolution of the directors on 24 February 2015.

Pulse Health Limited is a company limited by shares, incorporated in Australia and whose shares are publicly traded on the Australian Securities Exchange under the code "PHG".

**2. Basis of preparation**

These general purpose financial statements for the interim half year reporting period ended 31 December 2014 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Pulse Health Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

**New, revised or amending Accounting Standards and Interpretations adopted**

The Group has adopted all accounting standards and interpretations applicable from 1 July 2014. The adoption of the new standards and interpretations has had no material impact on the recognition, measurement and disclosure of any assets, liabilities or the income statement for the period.

The Group has not elected to early adopt any new standards or amendments that are issued but not yet effective.

**3. Impairment charges**

The impairment charge relates to the goodwill in the North Coast Community Care cash generating unit following management's assessment of its current operating performance against expected results.

## Pulse Health Limited

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

#### 4. Contributed Equity

##### Securities on issue at reporting date

Listed ordinary shares	163,869,479
Performance rights - Tranche 1	-
Performance rights - Tranche 2	630,000
Performance rights - Tranche 3	315,000
Performance rights - Tranche 4	315,000

<b>Movement in Performance Rights</b>	<b>Tranche 1</b>	<b>Tranche 2</b>	<b>Tranche 3</b>	<b>Tranche 4</b>
Opening balance at 1 July 2014	315,000	315,000	315,000	-
Issued in period	-	-	-	315,000
Transferred <sup>(1)</sup>	(315,000)	315,000		
Vested	-	-	-	-
Closing balance at 31 December 2014	-	630,000	315,000	315,000

(1) Appendix 3B lodged 20 January 2015

The tranche 4 performance rights were provided at no cost to the recipients and the rights refer to rights over ordinary shares of the Company, which are vested on a one-for-one basis under the terms of the agreements. These rights will vest if the weighted average (VWAP) share price of Pulse Health Limited is \$0.84 on 31 December 2017. The rights granted under the plan carry no dividends or voting rights and all unvested rights expire on termination of the individual's employment.

At 31 December 2014, the tranche 1 performance condition was not satisfied at the expiry date so the tranche 1 performance rights will automatically become tranche 2 performance rights with the same expiry date and performance condition as the tranche 2 performance rights.

If the tranche 2 performance condition is not satisfied on the tranche 2 expiry date, then the tranche 2 performance rights will automatically become tranche 3 performance rights with the same expiry date and performance condition as the tranche 3 performance rights. Tranche 3 and tranche 4 performance rights expire if there relevant VWAPs are not achieved.

#### 5. Dividends

During the second half of 2014, the consolidated entity paid dividends of \$819,347 to its equity shareholders (second half of 2013: \$NIL). This represents a payment of \$0.005 per share (second half of 2013: \$NIL).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

**6. Segment Information**

**Description of segments**

Operating segments are reported in a manner that is consistent with the internal reporting provided to the Managing Director. The Managing Director has identified 2 reportable segments based on the type of service provided within the group, namely private hospitals and community care. Private hospitals make strategic acquisitions of privately run hospitals and day surgeries around Australia. Community Care provides health services to patients including Nursing Care, Case Management, Respite Care and Allied Health provisions. The information below excludes results from trading between segments.

Management assesses the performance of the operating segments based on a measure of underlying EBITDA. This measurement basis excludes significant expenditure from the operating segments such as acquisition, transaction and integration costs, effects of equity-settled share based payments, corporate office costs, finance costs, depreciation and amortisation and goodwill impairments when the impairment is the result of an isolated, non-recurring event.

Transactions between segments are carried out at arm's length and are eliminated on consolidation. Segment revenues reported to the board of directors are measured in a manner consistent with that in the income statement.

**Segment information provided to the board of directors**

The segment information provided to the board of directors for the reportable segments for the half year ended 31 December 2014 is as follows:



# Pulse Health Limited

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Half year ended 31 December 2014 \$ 000's	Private Hospitals	Community Care	Corporate Overhead (Unallocated)	Total
Revenue from external customers	28,224	1,418	79	29,721
<b>Total segment revenue</b>	<b>28,224</b>	<b>1,418</b>	<b>79</b>	<b>29,721</b>
<b>Segment EBITDA</b>	<b>3,955</b>	<b>(16)</b>	<b>(1,048)</b>	<b>2,891</b>
Depreciation and amortisation	(437)	(8)	(51)	(496)
<b>Segment EBIT</b>	<b>3,518</b>	<b>(24)</b>	<b>(1,099)</b>	<b>2,395</b>
Finance Costs (net)				70
<b>Net profit before tax</b>				<b>2,465</b>
Corporate, acquisitions and integration costs				(308)
Impairment charge				(313)
<b>Net profit before tax</b>				<b>1,844</b>
Tax Expense				(578)
<b>Net profit after tax</b>				<b>1,266</b>

Half year ended 31 December 2013	Private	Community	Corporate (Unallocated)	Total
Revenue from external customers	25,013	1,477	23	26,513
<b>Total segment revenue</b>	<b>25,013</b>	<b>1,477</b>	<b>23</b>	<b>26,513</b>
<b>Segment EBITDA</b>	<b>3,979</b>	<b>(32)</b>	<b>(1,341)</b>	<b>2,606</b>
Depreciation and amortisation	(320)	(8)	(7)	(335)
<b>Segment EBIT</b>	<b>3,659</b>	<b>(40)</b>	<b>(1,348)</b>	<b>2,271</b>
Finance Costs (net)				(967)
<b>Net profit before tax</b>				<b>1,304</b>
Corporate, acquisitions and integration costs				-
Impairment charge				-
<b>Net profit before tax</b>				<b>1,304</b>
Tax Expense				(371)
<b>Net profit after tax</b>				<b>933</b>

Segment Assets \$ 000's	Private Hospitals	Community Care	Corporate Overhead (Allocated)	Total
<b>31 December 2014</b>	<b>51,609</b>	<b>1,086</b>	<b>10,070</b>	<b>62,765</b>
<b>30 June 2014</b>	<b>51,101</b>	<b>1,393</b>	<b>10,263</b>	<b>62,757</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

**7. Fair value measurement of financial instruments**

The financial assets and liabilities included in the current assets and liabilities in the Statement of Financial Position are carried at amounts that approximate net fair values. As at reporting date there were no financial assets and liabilities recognised in the Statement of Financial Position using fair value measurements.

**8. Subsequent events**

No matters or circumstances have arisen since 31 December 2014 that have significantly affected or may significantly affect:

- (a) The consolidated entity's operations in future financial years; or
- (b) The results of those operations in future financial years; or
- (c) The consolidated entity's state of affairs in future financial years.

**DIRECTOR' S DECLARATION**

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporate Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.



Mr Stuart James  
Chairman

Sydney, 24 February 2015

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pulse Health Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Pulse Health Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

#### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Pulse Health Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Pulse Health Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



#### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Pulse Health Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

BDO East Coast Partnership

A handwritten signature in black ink, appearing to read 'Paul Butt', is written over a faint, stylized 'BDO' logo.

Paul Butt  
Partner

Sydney, 24 February 2015