

MEDIA RELEASE

ASX: GLH

Market Update

<u>4 July 2016:</u> Global Health ("the Company") is pleased to provide an update to the market for the year ending 30 June 2016.

Financial Performance (subject to audit)

Revenue for the group is forecast to increase by about 13% to approximately \$5.1M. This is \$900,000 below internal targets primarily due to:

- Slippage of project delivery schedules related to significant contracts secured since December 2015.
- Delays in procurement decisions particularly from public sector buyers (due to tight government budgets) and general market uncertainty.

Consequently, EBITDA is forecast to be between \$500K and \$600K resulting in an Earnings per Share (EPS) of approximately 0.5 cents for the 12 months to 30 June 2016.

Litigation Update

As previously announced, 64 country hospitals across South Australia have continued the use of the Company's long superseded (2003) CHIRON Patient Administration System (PAS) despite the expiry of the licence on 31 March 2015. The Company initiated Federal Court action in June 2015.

In respect to this litigation between the Company's subsidiary, Working Systems Software Pty Ltd and the State of South Australia:

- The Trial has been listed for 10 days (2 full weeks) commencing on Monday, 5 December 2016 (ie, 5 to 16 December 2016, inclusive) in the Federal Court of Australia in Adelaide;
- The Federal Court of Australia has ordered the parties to participate in a mediation to be conducted by a Registrar of the Court on 2 August 2016 in Adelaide; and
- The Federal Court of Australia has ordered each of the parties to give discovery of certain categories of documents by 8 July 2016.



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Forward Outlook

While the delays in fulfilment will impact the result as at 30 June 2016, the effect is that the Company's unfulfilled backlog of orders at 1 July 2016 is in excess of \$1.2M. This will be progressively recognised over the next 12 months. Over the previous 5 years, the backlog has been in the order of \$100K at the commencement of each of the corresponding financial years.

The addition of 3 sales staff since November 2015 has seen the sales pipeline as at 1 July 2016 double, in comparison to the sales pipeline at the start of previous years.

The litigation with SA Health has demanded a significant amount of senior management time and distraction over the past 36 months. The trial is due within the next 6 months enabling a greater focus by senior management on our growth initiatives thereafter.

This is a much better starting position and augers well for the coming 12 months.

The Company looks forward to the forthcoming financial year with confidence and will continue to keep the market abreast as events unfold.

For more information:

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About Global Health Limited

Global Health is a leading provider of Digital Health solutions that address the needs of administrators, funders, clinicians and consumers across the healthcare industry. Global Health's portfolio of products supports healthcare delivery services in both the acute and community settings with a particular focus on team-based, shared medical records and active consumer engagement.

Internet connectivity and an open architecture are the foundations of the Company's vision of "Connecting Clinicians and Consumers".

Global Health is listed on the Australian Stock Exchange with its head office in Melbourne. For further information about Global Health and its products, visit www.global-health.com.