

**HEALTH CORPORATION LIMITED
AND CONTROLLED ENTITIES
ABN 30 116 800 269**

APPENDIX 4D

REPORTING PERIOD

Half Year end 31/12/2011

PREVIOUS REPORTING PERIOD

Half Year end 31/12/2010

Half year information given to ASX under listing rule 4.2A.3

This information contained in this report should be read in conjunction with the most recent annual report.

1. RESULTS FOR ANNOUNCEMENT TO MARKET

	31-Dec-11	Change%	31-Dec-10
Revenue from ordinary activities	21,543	(97)	712,433
(Loss)/profit after income tax from ordinary activities	(113,932)	(106)	1,992,025
Net profit/(loss) for the period	(113,932)	(106)	1,992,025
Dividend per share	n/a		n/a
Record date for determining entitlement to dividends	n/a		n/a
No dividends have been paid or declared during the year			

2. NET TANGIBLE ASSETS PER ORDINARY SHARE (cents) 0.38 (0.26)

3. DETAILS OF SUBSIDIARIES

3.1 Control gained over entities

The entity did not gain control over other entities during the current reporting period.

During the comparative reporting period, the reporting entity gained 100% control of Intramedics Pty Ltd.	n/a	nil
Contribution of the acquired entity to the reporting entity's net profit:		

3.2 Loss of control of entities during period

The entity did not lose control of entities during the current reporting period.

The reporting entity disposed of the following entities on 30 November 2010:

- Chemconsult Australia Pty Limited
- Health Information Pharmacy Franchising Pty Ltd
- HIP IP Pty Ltd
- Asset Trust 1
- Leverage Finance Pty Ltd

Contribution of the disposed entities to the reporting entity's net profit:	n/a	\$2,267,324
---	-----	-------------

4. DIVIDENDS n/a n/a

5. DIVIDENDS REINVESTMENT PLAN n/a n/a

6. ASSOCIATED AND JOINT VENTURE ENTITIES n/a n/a

7. FOREIGN ENTITIES ACCOUNTING STANDARD n/a n/a

8. AUDIT DISPUTE OR QUALIFICATION n/a n/a

**HEALTH CORPORATION LIMITED
(ABN 30 116 800 269)
AND CONTROLLED ENTITIES**

Interim Financial Report

31 December 2011

HEALTH CORPORATION LIMITED AND CONTROLLED ENTITIES
Condensed Consolidated Interim Financial Report 31 December 2011

Contents

	Page
Corporate directory	3
Directors' report	4
Auditor's independence declaration	6
Consolidated statement of comprehensive income	7
Consolidated statement of financial position	8
Consolidated statement of changes in equity	9
Consolidated statement of cash flows	10
Notes to the condensed consolidated interim financial statements	11
Directors' declaration	16
Independent review report to members	17

HEALTH CORPORATION LIMITED AND CONTROLLED ENTITIES
Condensed Consolidated Interim Financial Report 31 December 2011

Corporate Directory

Directors

Jim Malone
Non-Executive Chairman

Jason Davis
Non-Executive Director

David Chapman
Non-Executive Director

Company Secretary

Rachel Jelleff

Registered Office and Principal Place of Business

Level 21, Allendale Square
77 St Georges Terrace
Perth WA 6000
Tel: +61 8 9389 2000
Fax: +61 8 9389 2099

Auditors

PKF Mack & Co
Level 2, 35 Havelock Street
West Perth WA 6872

Solicitors

Steinepreis Paganini Lawyers
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Share Registry

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth WA 6000

Stock Exchange Listing

Health Corporation Limited shares are listed on the Australian Stock Exchange (ASX)

- Code 'HEA' for ordinary shares

HEALTH CORPORATION LIMITED AND CONTROLLED ENTITIES

Condensed Consolidated Interim Financial Report 31 December 2011

Directors' Report

Your directors submit the condensed interim financial report of the consolidated group for the half-year ended 31 December 2011.

Directors

The names of directors who held office during or since the end of the half-year:

Jim Malone (Non-executive Chairman)

Jason Davis (Non-executive Director)

David Chapman (Non-executive Director)

Principal Activity

Following the disposal of the group's pharmacy franchising operations in November 2010 and the acquisition of Intramedics, a bioscience company on 17 August 2010, the consolidated group's principal activity is in the bioscience technology sector. The Company has continued with its remaining business interests and also review new and complementary investment opportunities during the period.

The Company's strategic vision is to create real value for shareholders through new investments in companies or projects with world class assets and management teams.

Operating Results

The consolidated loss for the group after providing for income tax from continuing operations amounted to \$113,932 (2010: loss of \$275,299). The disposal of selected subsidiary entities resulted in a profit after discontinued operations of \$Nil (2010: \$1,992,025) on discontinued operations.

Dividends Paid or Recommended

No dividends have been paid or declared for payment during the financial period.

Review of Operations

The Company is continuing with its retained business operations following the restructure in 2011 whilst also reviewing complementary strategic investment opportunities. The Company is looking forward to an exciting future following this major business and management restructure during 2011, with the disposal of its loss making business operations and the changes made to the Board and management team.

The Company is continuing to manage its existing business operations in a cost effective manner to preserve its cash asset.

The Board of Directors are committed to the new corporate strategy to focus on value creation for shareholders through an investment or acquisition of a substantial asset or business opportunity, and potentially with an experienced management team. At this stage, no decision to acquire or joint venture into any project has been made and the process of project review is continuing.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of the affairs of the consolidated group in future financial years.

HEALTH CORPORATION LIMITED AND CONTROLLED ENTITIES
Condensed Consolidated Interim Financial Report 31 December 2011

Directors' Report

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 6 for the half-year ended 31 December 2011.

This report is signed in accordance with a resolution of the Board of Directors.



Jason Davis
Director

Dated this 23rd day of February 2012

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF HEALTH CORPORATION LIMITED**

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2011 there has been:

- a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- a) no contraventions of any applicable code of professional conduct in relation to the review.

PKF Mack and Co

PKF MACK & CO

Simon Fermanis

**SIMON FERMANIS
PARTNER**

23 FEBRUARY 2012
WEST PERTH
WESTERN AUSTRALIA

HEALTH CORPORATION LIMITED AND CONTROLLED ENTITIES
Condensed Consolidated Interim Financial Report 31 December 2011

Consolidated Statement of Comprehensive Income

For the half year ended 31 December 2011

	Note	CONSOLIDATED GROUP	
		31-Dec-11 \$	31-Dec-10 \$
Revenue		21,543	11,460
Finance costs		-	(95,020)
Professional and consultancy fees		(68,854)	(69,694)
Marketing expenses		(1,465)	(1,248)
Directors fees		11,666	(48,333)
Employee benefit expense		(31,147)	(18,381)
Occupancy expenses		(4,713)	-
Impairment expense		-	(137,356)
Other expenses		(40,962)	(34,010)
Loss before income tax		(113,932)	(392,582)
Income tax benefit		-	117,283
Loss from continuing operations		(113,932)	(275,299)
Profit on sale of discontinued operations	4	-	2,267,324
(Loss)/profit for the half year		(113,932)	1,992,025
Other comprehensive income		-	-
Total comprehensive (loss)/income		(113,932)	1,992,025
<i>Total comprehensive (loss)/profit attributable to:</i>			
Members of the parent entity		(113,932)	1,992,025
		(113,932)	1,992,025
Earnings per share			
<i>From continuing and discontinued operations:</i>			
Basic earnings per share (cent)		(0.06)	2.08
Diluted earnings per share (cent)		(0.06)	2.08
<i>From continuing operations:</i>			
Basic earnings per share (cent)		(0.06)	(0.36)
Diluted earnings per share (cent)		(0.06)	(0.36)
<i>From discontinued operations:</i>			
Basic earnings per share (cent)		-	2.44

The accompanying notes form part of these condensed consolidated interim financial statements.

HEALTH CORPORATION LIMITED AND CONTROLLED ENTITIES
Condensed Consolidated Interim Financial Report 31 December 2011

Consolidated Statement of Financial Position

As at 31 December 2011

	CONSOLIDATED GROUP	
	31-Dec-11	30-Jun-11
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	756,663	1,070,885
Other current assets	25,791	22,938
Total Current Assets	782,454	1,093,823
TOTAL ASSETS	782,454	1,093,823
CURRENT LIABILITIES		
Trade and other payables	68,084	227,688
Financial liabilities	-	37,833
Total Current Liabilities	68,084	265,521
TOTAL LIABILITIES	68,084	265,521
NET ASSETS	714,370	828,302
EQUITY		
Contributed equity	5,514,533	5,514,533
Retained earnings	(4,800,163)	(4,686,231)
TOTAL EQUITY	714,370	828,302

The accompanying notes form part of these condensed consolidated interim financial statements.

HEALTH CORPORATION LIMITED AND CONTROLLED ENTITIES
Condensed Consolidated Interim Financial Report 31 December 2011

Consolidated Statement of Changes in Equity

For the half year ended 31 December 2011

	Share capital \$	Retained earnings \$	Non- controlling interests \$	Total \$
CONSOLIDATED GROUP				
Balance at 1 July 2011	5,514,533	(4,686,231)	-	828,302
Profit attributable to members of parent entity	-	(113,932)	-	(113,932)
Balance at 31 December 2011	5,514,533	(4,800,163)	-	714,370
Balance at 1 July 2010	4,032,490	(6,621,399)	(549,420)	(3,138,329)
Profit attributable to members of parent entity	-	1,992,025	-	1,992,025
Disposal of non-controlling interests	-	-	549,420	549,420
Shares issued during the period	386,334	-	-	386,334
Share issuance costs	(40,081)	-	-	(40,081)
Balance at 31 December 2010	4,378,743	(4,629,374)	-	(250,631)

The accompanying notes form part of these condensed consolidated interim financial statements.

HEALTH CORPORATION LIMITED AND CONTROLLED ENTITIES
Condensed Consolidated Interim Financial Report 31 December 2011

Consolidated Statement of Cash Flows

For the half year ended 31 December 2011

	CONSOLIDATED GROUP	
	31-Dec-11	31-Dec-10
	\$	\$
<i>Cash flows from operating activities</i>		
Receipts from customers	-	612,152
Interest received	20,239	18,812
Payments to suppliers and employees	(296,628)	(985,837)
Finance costs	-	(4,472)
Income tax refund received	-	117,283
Net cash used in operating activities	(276,389)	(242,062)
<i>Cash flows from investing activities</i>		
Payments for intellectual property	-	(5,000)
Loans repaid by other entities	-	(2,000)
Net cash used in investing activities	-	(7,000)
<i>Cash flows from financing activities</i>		
Repayment of leases	-	(17,878)
Receipts from related entities	-	85,000
Proceeds from issue of shares, net of cost	-	226,253
Repayment of borrowings	(37,833)	(5,000)
Net cash provided by/(used in) financing activities	(37,833)	288,375
Net increase/(decrease) in cash held	(314,222)	39,313
Cash disposed of - discontinued operations	-	(46,925)
Cash at beginning of year	1,070,885	59,470
Cash at end of year	756,663	51,858

The accompanying notes form part of these condensed consolidated interim financial statements.

HEALTH CORPORATION LIMITED AND CONTROLLED ENTITIES

Condensed Consolidated Interim Financial Report 31 December 2011

Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2011

NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the half-year reporting period ended 31 December 2011 have been prepared in accordance with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2011 and any public announcements made by the Company during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies and methods of computation have been followed in the interim financial report as where followed in the most recent annual financial statements

Health Corporation Limited is a Company limited by shares, incorporated and domiciled in Australia and whose shares are publicly traded on the Australian Securities Exchange. The half year financial report is presented in Australian dollars.

These consolidated half year financial report was approved by the Board of Directors for issue on 23 February 2012.

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the consolidated entity's 2011 annual financial report for the financial year ended 30 June 2011, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Company has adopted all new and amended Australia Accounting Standards effective from 1 July 2011 including:

AASB 2009-12	Amendments to Australian Accounting Standards (AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052)
AASB 2010-4	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASB 1, AASB 7, AASB101 & AASB 134 and Interpretation 13)
AASB 2010-5	Amendments to Australian Accounting Standards (AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042)
AASB 124 (Revised)	Related Party Disclosures

HEALTH CORPORATION LIMITED AND CONTROLLED ENTITIES

Condensed Consolidated Interim Financial Report 31 December 2011

Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2011

Amended standards did not result in any significant changes to accounting policies.

Estimates

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, significant judgment made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 30 June 2011.

Financial report prepared on a going concern basis

The financial statements have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The consolidated entity incurred a loss from continuing operations of \$113,932 (2010: \$275,299) during the half year ended 31 December 2011.

In the directors' opinion there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable for the following reasons:

- (i) In November 2010 the consolidated entity disposed of its active subsidiaries. Pursuant to the disposal transaction, all the borrowings were assigned to the buyer thus removing the loans servicing these subsidiaries and repayment obligations from the group.
- (ii) As the operating subsidiaries were disposed of, the group has no funding operational requirements except for on-going administrative corporate costs.
 - (iii) As at 31 December 2011 the group had cash and cash equivalents of \$756,663 and has sufficient cash to enable the company to pay its debts as and when they become due and payable for at least the next 12 months from the date of this report.
- (iv) The Company is continuing to review a number of new investment and/or acquisition opportunities.

NOTE 2: LOSS FOR THE PERIOD

All significant revenue and expense items for the period are disclosed on the face of the Consolidated Statement of Comprehensive Income.

NOTE 3: DIVIDENDS

There are no dividends paid or declared during the period.

HEALTH CORPORATION LIMITED AND CONTROLLED ENTITIES
Condensed Consolidated Interim Financial Report 31 December 2011

Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2011

NOTE 4: DISCONTINUED OPERATIONS

31 December 2011

There were no discontinued operations in the current reporting period.

31 December 2010

In November 2010, the Group sold the following subsidiaries:

- Health Information Pharmacy Franchising Pty Ltd (Franchising segment)
- Leverage Financing Pty Ltd (Leverage Financing segment)
- Health Information Pharmacy IP Pty Ltd (Franchising segment)
- Chemconsult Australia Pty Ltd (Franchising segment)
- Asset Trust 1 (Leverage Financing segment)

The above subsidiaries, with net assets of \$2,458,863 as at 30 November 2010 were sold to Ken Lee, a director of HEA, on that date for a non-cash consideration of \$4,726,187. The consideration for the sale of subsidiaries to Ken Lee consists of following:

- The forgiveness of debt totaling \$2,443,689 owed by HEA to Eferes Pty Ltd;
- The transfer of the Company's debt totaling \$230,000 owed to K&J Superannuation Fund to Ken Lee;
- The forgiveness of debt totaling \$579,642 owed by the Company to HIP Queensland Pty Ltd;
- The transfer of debt totaling \$700,000 owed by the Company to HIP Brimbank Pty Ltd to Ken Lee;
- The transfer of debt totaling \$579,642 owed by the Company to Health for Tomorrow Pty Ltd to Ken Lee; and
- The transfer of the Company's debt totaling \$193,214 owed to Lawsfield Holdings Pty Ltd to Ken Lee.

	31-Dec-11	31-Dec-10
	\$	\$
The financial performance of the discontinued operations to the date of sale which is included in profit/(loss) from discontinued operations per the statement of comprehensive income is as follows		
Revenue	-	700,973
Expenses	-	(986,022)
Loss before income tax	-	(285,049)
Income tax expense	-	-
Loss attribute to members of the parent entity	-	(285,049)
Profit on sale before income tax	-	2,552,373
Income tax expense	-	-
Profit on sale after income tax	-	2,552,373
Total profit after tax attribute to the discontinued operation	-	2,267,324
Cash flows from (used in) discontinued operations which have been incorporated into the statement of cash flows are as follows		
Net cash used in operating activities	-	(166,316)
Net cash used in investing activities	-	(7,000)
Net from financing activities	-	59,392
Net cash used in discontinued operation	-	(113,924)

HEALTH CORPORATION LIMITED AND CONTROLLED ENTITIES
Condensed Consolidated Interim Financial Report 31 December 2011

Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2011

NOTE 4: DISCONTINUED OPERATION (continued)

	31-Dec-11 \$	31-Dec-10 \$
Effect of disposal on the financial position of the Group		
Cash and cash equivalents	-	46,925
Trade and other receivables	-	74,047
Other current assets	-	61,877
Long term receivables	-	13,616,311
Property, plant and equipment	-	(6,555)
Intangible assets	-	858
Trade and other payables	-	(1,154,371)
Short term borrowings	-	(9,680,688)
Short term financial liabilities	-	(467,479)
Short term provisions	-	(32,062)
Net assets and liabilities	-	2,458,863
Consideration received, satisfied in cash	-	-
Cash disposed of	-	46,925
Net cash outflow	-	(46,925)

NOTE 5: BUSINESS COMBINATIONS

31 December 2011

There were no business combinations in the current reporting period.

31 December 2010

On 17 August 2010, the Company acquired Intramedics Pty Ltd (Intramedics), a bioscience company involved in the development of a biologically stable form of Hyaluronic Acid ("HA"). HA is a key ingredient used in cosmetics, plastic surgery, therapeutic drugs, advanced wound care and drug delivery markets. There appears to be significant opportunities to commercialise this technology across a diverse range of markets.

Acquisition of Intramedics was settled by the issue of 6 million fully paid ordinary shares in the Company at 2 cents per share. The fair value of acquired net assets and the resulting goodwill are as follows:

	\$
Cash on hand	120
<i>Identifiable assets acquired</i>	
Cash on hand	120
Trade and other receivables	917
<i>Liabilities assumed</i>	
Loans payable	(18,393)
	(17,356)
<i>Consideration paid</i>	
Fully paid ordinary shares in the Company - 6 million shares at 2 cents per share	120,000
Goodwill recognised on acquisition*	137,356

*The full amount of recognised goodwill was impaired during the six months ended 31 December 2010.

HEALTH CORPORATION LIMITED AND CONTROLLED ENTITIES
Condensed Consolidated Interim Financial Report 31 December 2011

Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2011

NOTE 6: OPERATING SEGMENTS

Segment information

The group has disposed of all active subsidiaries in franchising and financing operations which were recognised as reportable segments in the financial report for the year ended 30 June 2010. Based on the information used for internal reporting purposes by the chief operating decision maker, being the non-executive chairman that makes strategic decisions, at 31 December 2011 the group operates in a single reportable segment being the biotechnology segment.

NOTE 7: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date 30 June 2011.

NOTE 8: RELATED PARTIES

Transactions with key management personnel

Director's fees amounting to \$15,000 that was payable by the Company to a director as at 30 June 2011 were forgiven in the half year.

In addition, directors' fees amounting to \$26,666 for the half year ended 31 December 2011 were forfeited by the directors.

A short term loan amounting to \$37,833 advanced by a director which was outstanding at 30 June 2011 was repaid during the half year.

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

Except as noted in company announcements, there have been no other subsequent events that would have a material impact on the financial report for the period ended 31 December 2011.

HEALTH CORPORATION LIMITED AND CONTROLLED ENTITIES

Interim Financial Report 31 December 2011

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 15 are in accordance with the Corporations Act 2001, including:
 - a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 and;
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Jason Davis

Director

Dated this 23rd day of February 2012

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF HEALTH CORPORATION LTD

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Health Corporation Ltd (the Company) which comprises the condensed statement of financial position as at 31 December 2011, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at 31 December 2011, or 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 the Australian Accounting Standards and the Corporations Act 2001 and for such internal controls 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 2011 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001. As the auditor of Health Corporation Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

Tel: 61 8 9426 8999 | Fax: 61 8 9426 8900 | www.pkf.com.au

PKF Mack & Co | ABN 17 830 241 067

2nd Floor, 35 Havelock Street | West Perth | Western Australia 6005 | Australia

PO Box 609 | West Perth | Western Australia 6872 | Australia

PKF Mack & Co is a member of the PKF International Limited network of legally independent member firms. PKF Mack & Co is also a member of the PKF Australia Limited national network of legally independent firms each trading as PKF. PKF Mack & Co does not accept responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Liability limited by a scheme approved under Professional Standards Legislation.

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. In accordance with the Corporations Act 2001, we have given the directors' of the company a written Auditor's Independence Declaration.

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 Health Corporation Ltd 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 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

PKF Mack and Co.

PKF MACK & CO

Simon Fermanis

**SIMON FERMANIS
PARTNER**

23 FEBRUARY 2012
WEST PERTH
WESTERN AUSTRALIA