



Pulse Health Limited (PHG)

3 for 4 Underwritten Non-renounceable Rights Issue

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## 3 for 4 Underwritten Non-Renounceable Rights Issue

Offer Structure	<ul style="list-style-type: none"><li>• Non-renounceable underwritten pro-rata rights issue to raise \$8.1m</li><li>• 203,944,843 shares to be raised on a 3 new ordinary shares for every 4 shares held by Australian and New Zealand shareholder basis.</li><li>• Offer underwritten by Viburnum Funds Pty Ltd (related party to Wyllie Group Pty Ltd, Pulse Health's second largest shareholder)</li></ul>
Use of Funds	<ul style="list-style-type: none"><li>• Fund the acquisition of Eden Rehabilitation Hospital</li><li>• Fund Brownfield Developments within existing hospital portfolio</li></ul>
Pricing	<ul style="list-style-type: none"><li>• Fixed offer price of \$0.04 per share.</li><li>• 16.7% discount to the closing price of \$0.048 on the last trading day prior to the offer</li><li>• 12.7% discount to the 6 Month VWAP of \$ 0.0458</li></ul>
Offer Securities	<ul style="list-style-type: none"><li>• Fully paid ordinary shares</li><li>• ranking equally with existing shares</li></ul>

# Capital Raising Timetable

Event	Date
ASX Trading Halt	26 April 2012
ASX announcement and recommencement of trading on the ASX	30 April 2012
Record date to determine entitlement to new shares	7:00pm (AEST) on 8 May 2012
Last day for acceptance and payment in full	5:00pm (AEST) on 28 May 2012
First day of trading new shares	6 June 2012

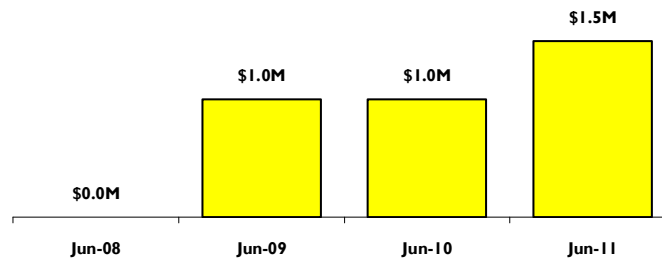
# Pulse Health Group Overview

	Pre Rights Issue	Post Rights Issue
Ordinary Shares	271,926,457	475,871,300
Options (ex 10c)	2,625,000	2,625,000
Market Capitalisation	\$13.1 Million	
Current Share Price	\$0.048	
Bank Debt	\$10.2 Million	
Capitalised Finance Lease	\$13.8 Million	
Directors & Management <sup>1</sup>	12.50%	
Top 20 <sup>1</sup>	57%	

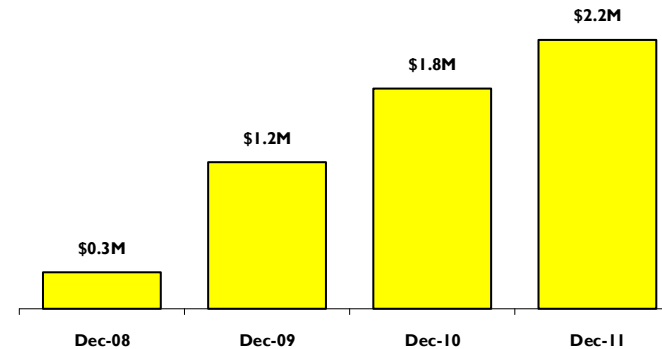
\$m	FY11 (12 Months)	IH12 (6 Months)
Revenue	\$37.3	\$19.6
EBITDA	\$3.3	\$2.2
NPAT	\$0.4	\$0.6

- 6 hospitals (after acquisition of Eden), community home care, and medical recruitment business
- Regional and niche hospital focus
- Employing 570+ health care professionals across Australia
- Listed in 2003 (ASX: PHG)
- Operations in QLD and NSW
- > 30% CAGR in EBITDA from calendar 2009 – Calendar 2011

June Half EBITDA



December Half EBITDA



# Hospital Facilities

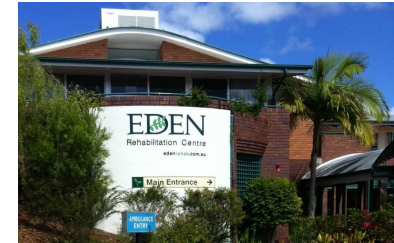


**Gympie Private Hospital (40 Beds)**



**South Burnett Private Hospital (22 Beds)**

**Eden Rehabilitation Hospital (36 Beds)**



**Forster Private Hospital (75 Beds)**



**Westmead Rehabilitation Hospital (60 Beds)**



**Bega Valley Private Hospital (day surgery)**

# Acquisition of Eden Rehabilitation Hospital



- Eden is a quality 36 bed Rehabilitation Hospital currently owned and operated by Sundale Garden Village, a not for profit community association based on the Sunshine Coast.
- The facility is located in Cooroy, QLD, a 30 minute drive from the existing Pulse Health facility at Gympie.
- Pulse Health has signed a conditional contract to acquire the business and assets, and to lease the facility from Sundale for 10 years with a further 10 year option.
- The purchase consideration is \$6.25m, based on a standalone EBITDA of \$0.75m, with a further \$200,000 in synergies expected to be derived by Pulse in the first 18 months.
- The facility will be complimentary to Pulse's existing QLD operations, particularly Gympie and expansion options will be explored forthwith to increase bed capacity in both sites.

# Eden Acquisition Rationale

## Asset

- Established profitable rehabilitation hospital in Queensland
- QLD is a region under serviced for rehab
- Continuing partnership with high profile community group, Sundale Garden Village through their freehold ownership and complimentary aged care services.
- Organic expansion potential

## Synergies

- Enhanced opportunity to develop Gympie Private Hospital
- Eden reduces the risks, time and cost of developing QLD clinical programs, recruiting specialist staff and developing referral patterns
- Sharing of clinical and operational processes with Westmead Rehabilitation Hospital and the Rehabilitation Unit at Forster Private Hospital
- Potential to add beds to Eden through additional onsite space

## Financial

- Attractive multiple (6.5 x EBITDA post \$0.20m in Synergies)
- Improved balance sheet and debt / equity funding mix post acquisition



## Growth Initiatives

## Profit Drivers

### Improve Performance of Existing Hospitals

- Driving culture of performance and reward
- Better recognition and motivation strategies for all staff
- Attract and retain specialists

Occupancy

### Expand Existing Hospitals

- Forster – Rehab Unit Expansion
- Westmead – Rehab Expansion
- Gympie – Construction Opportunity

Capacity

### Acquisitions

- Strategically appropriate acquisitions
- Fit 'clustering' of sites profile and niche operations
- 30 – 80 Beds
- Complimentary health care business

Efficiency / Scale

# Board & Executive Management

## **Stuart James – Non Executive Chairman**

Experienced executive within the financial and healthcare sectors, strong corporate and financial background, including CEO and COO of the Mayne Group

## **Craig Coleman – Non Executive Director**

Mr Coleman previously held a number of senior executive positions with ANZ Bank and was a Director of ETrade Australia. He is also the former Managing Director of HomeBuilding Society Limited and is the current Director of Wyllie Group Pty Ltd and Viburnum Funds Pty Ltd and a shareholder in Viburnum Funds Pty Ltd

## **Andrew Gregory – Non Executive Director**

Strong financial services and investment experience, proven business successes and a number of years in public company executive roles

## **Justin Matthews – Chief Executive Officer**

Extensive financial, health care and M&A experience, having held a number of finance executive positions with Healthcare Australia, GE and KPMG.

## **Wendy Thorne – Chief Operating Officer**

Strong health care and nursing background in senior leadership & executive roles

## **Julie Mitchell – Business Development Manager**

20+ years in health care management roles

- All directors and the Joint Company Secretary Mr David Franks have committed in the attached offer documents to taking up 100% of right entitlements for their personal shareholdings.
- The Pulse Health CEO, Mr Justin Matthews has committed in the attached offer documents to exercise rights to the value of \$60,000 with respect to his personal shareholdings.



## Pulse Health – Top 5 Shareholders (Pre Rights Issue)

<b>Throvena Pty Ltd (and related entities)</b>	<b>16.1%</b>
<b>Wyllie Group Pty Ltd</b>	<b>13.8%</b>
<b>Dr Phillip Ewart (and related entities)</b>	<b>7.5%</b>
<b>Dr Ross Bengler (and related entities)</b>	<b>7.4%</b>
<b>Mr Justin Matthews</b>	<b>4.0%</b>
<b>Total of Top 5 Shareholders</b>	<b>48.8%</b>

\* As at 27 March 2012

# Investor Value Proposition

## Growth

- EBITDA growth over 4 years from \$0.3M for calendar 2008 to \$3.7M for calendar 2011
- Low risk opportunity to grow earnings
- Economies of scale and synergies in place for further acquisitions
- Brownfield development potential across portfolio

## Diversification

- Stable health fund contracts
- Hospitals in prime locations
- Rehab emphasis
- Regional acute and rehab niche portfolio

## Establishing Track Record

- Strong, well connected and experienced management team
- 570+ health care professionals and scalable business platform
- Current management team delivered financial turnaround
- Improved cashflow, capital structure and EBITDA growth
- Strategic bolt on acquisition

## Summary & Outlook

Regional and Niche Health Care Operator

Portfolio of 6 Private Health Hospitals and health care businesses

De-risking of business operations and capital structure

Improved FY12 EBITDA result (pre acquisition costs) of 10 %– 20% on FY11

Corporate and brownfield opportunities in company pipeline

Management team building a track record of performance