

LifeHealthcare Group Limited (ASX: LHC)

2015 Annual General Meeting - Chairman's Address

Following on from a strong first year performance as an ASX listed entity, I am pleased to report that LifeHealthcare has again delivered double digit growth rates with revenue up 13.8% to \$99.3million and pro forma EBITDA up 14.2% to \$17.4million.

Some of the highlights of the past 12 months include:

- Firstly: strong organic growth across implantable devices and capital equipment, including market share gains as a result of an increased number of active surgeons and an increase in the annual average revenue per surgeon
- Secondly: expansion of the ultrasound sector, through both new product launches such as the Affiniti system and also the acquisition of M4 Healthcare.
- The M4 acquisition was a significant milestone for LifeHealthcare, as it was the first acquisition since the IPO in late 2013. The acquisition extends LifeHealthcare's existing presence in Cardiac Ultrasound into the growing Point Of Care Ultrasound market, providing access to key new customer segments including emergency departments, ICU and General Anaesthesia.

Other highlights for the year included the launch of 3D printed implantable devices, such as the first implantation of 3D printed spine devices and patient specific orthopaedic prosthesis. Our product innovations also include the ongoing co-development, with a key supplier, of minimally invasive spine products.

The most recent highlight, in a very eventful year, was the acquisition just a few weeks ago, of Medical Vison Australia Cardiology & Thoracic Pty Limited, which will strengthen our presence in the interventional cardiology market. The management team is currently working on the integration of this business. Just as we welcomed the M4 staff to LifeHealthcare back in May, we also look forward to working with the MVA team in the coming months and years.

> Not your typical multinational

In August, the Board was pleased to announce an unfranked dividend of 7.5 cents per share, bringing dividends for the year to a total of 15 cents per share. This is consistent with the Board's intention to pay dividends of approximately 50% to 70% of the Company's annual after tax profit.

Looking to the future, the 2016 financial year has commenced solidly for LifeHealthcare and the directors believe that we are well positioned to continue implementing our 5 year growth strategy of building the business to circa \$200 million in revenue.

As you would be aware, there were some changes to the Board during 2015.

In February 2015, Michael Alscher resigned from the Board. Michael had been a non-executive director for nearly 8 years prior to our listing and on behalf of all of our shareholders I thank Michael for his contribution to the business.

Then in August 2015, after nearly 10 years at LifeHealthcare and 8 of those years as Chief Executive Officer, Daren McKennay decided to step down as our CEO and Managing Director. Daren was instrumental in the formation and execution of the strategy that created the LifeHealthcare we know today. He was an inspirational leader and our strong performance since the IPO is a testament to the quality of the business he helped to build. We sincerely thank Daren for his efforts and wish him all the very best for the future.

Consistent with the company's succession plan, the board was pleased to announce in August, that Matt Muscio has been appointed as the new CEO and Managing Director. I am thrilled to see Matt progress from the position of Chief Operating Officer, into the role of CEO. With Matt's successful track record in the medical devices industry and his strong leadership and performance over the past three years, the Board is confident that Matt is the right person to lead the business.

As announced yesterday, after 7 years at LifeHealthcare as CFO and Company Secretary, David Wiggins will be stepping down with effect from close of business today. David joined LifeHealthcare in April of 2008 bringing a financial discipline to the organization which helped position the company for the IPO in December 2013. His contribution ensured the business developed a strong financial platform which has enabled us to continue to invest in our growth strategy and execute on the company's recent acquisitions. On behalf of the board I would like to thank David for his tremendous contribution to building LifeHealthcare into the business it is today.

> Not your typical multinational

Consistent with the company's succession plan, the board is pleased to announce Dean Taylor, previously General Manager of Corporate Development of LifeHealthcare, as the new CFO and Company Secretary with effect from close of business today. David Wiggins will remain with the organisation for a period to ensure a seamless transition.

The Board and senior management team are excited about our future and committed to building on the successes achieved so far, with the aim of continuing to increase shareholder value in the years ahead. On behalf of my fellow board members, I thank all of our shareholders for your ongoing support of LifeHealthcare.

I would now like to invite our new Chief Executive Officer, Mr Matt Muscio, to address you. Thank you.

(Please refer to the separate CEO presentation, lodged with the ASX).



Bill Best

Chairman

LifeHealthcare Group Limited

28 October 2015

> Not your typical multinational