

MEDIA RELEASE

IPN announces 44% increase in normalised net profit after tax

Independent Practitioner Network Ltd (IPN), Australia's largest operator of medical centres, is pleased to release its financial results for the financial year ended 30 June 2007.

Highlights of the financial results include:

- Increase in normalised net profit after tax from continuing operations of **44%** to **\$8.2 million** (excluding the one off recognition of a \$6.2 million tax asset);
- Increase in earnings before interest, tax, depreciation and amortisation from continuing operations ("EBITDA") of **23%** to **\$15.1 million**;
- Increase in revenue and income from continuing operations of **13%** to **\$95 million**;
- Increase in normalised basic Earnings Per Share of **45%** to **0.80 cents per share**;
- Increase in cash flows from operating activities of **44%** to **\$11.6 million**.

During the financial year, the number of GP's working in IPN centres increased from 591 to 711, a net increase of 120 GP's. In terms of full time equivalent GPs (with an FTE representing 40 consultation hours per week), this equates to a net increase of 73 FTE's during the year.

In the same period, 12 centres were added to the IPN medical centre network, taking the total number of centres to 90 as at 30 June 2007. IPN's major initiative was the acquisition of 6 medical centres in Tasmania, a region in which IPN was not previously present.

IPN's Managing Director, Dr Malcolm Parmenter, said, "This is a very strong result for IPN. Our strategy to drive profitable growth through acquisition is now in place and delivering benefits, and our core operations have shown significant improvements in all areas.

In terms of the coming year, the business should see a continued improvement in profits – as a result of receiving the full year impact of the acquisitions which were made during the course of FY07, continued improvements in the margins of our existing centres and further growth from an increasing pipeline of potential acquisitions.

IPN has positioned itself as the leading provider of premium medical services in Australia. Most GPs want to work in an accredited practice that supports quality medicine, encourages the relationship between the GP and the patient and allows them to charge a private fee where appropriate. IPN practices do all these things and as a result the IPN service offering is proving very popular with GPs.

The scope for growth in the provision of services supporting best practice medicine is significant. IPN's strategy has proved effective this year and management believes it will continue to be effective into the foreseeable future.

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This media release should be read in conjunction with the Company's Appendix 4E – Preliminary Final Report posted on the Company's website on 22 August 2007 (www.ipnet.com.au).

