



**VISION GROUP HOLDINGS LIMITED**  
**ANNUAL GENERAL MEETING**  
**29 OCTOBER 2008**

**Presented By: Mr Shane Tanner (Chairman)**

# **CHAIRMAN'S ADDRESS**

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- **MR SHANE TANNER**

**Vision Group Holdings Limited  
Annual General Meeting  
October 29, 2008**

# 2007/08 Financial Results

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- **Record Financial Performance**
- **In Line with Analysts' Expectations**

# Financial Results Year Ended 30 June 2008



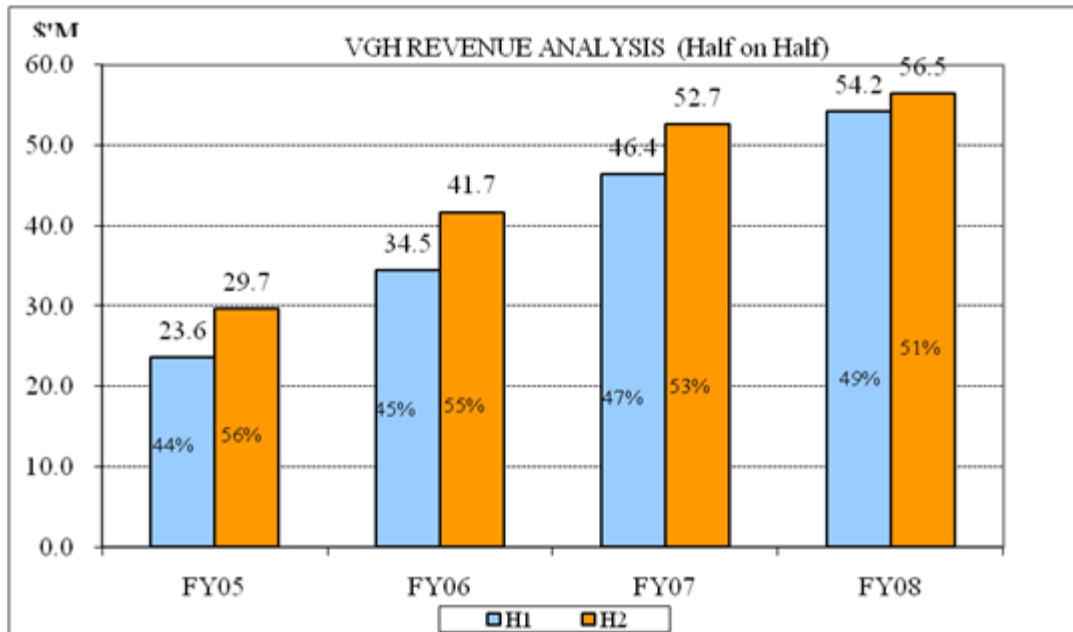
## • Record Profits for VGH

		<b>2008</b>	<b>Growth</b>	<b>2007</b>	<b>Growth</b>	<b>2006</b>
Revenue	\$'m	110.6	11.6%	99.1	30.1%	76.2
EBITDA	\$'m	37.2	13.1%	32.9	26.1%	26.1
EBIT	\$'m	32.3	11.8%	28.9	23.5%	23.4
NPAT	\$'m	16.9	19.0%	14.2	18.3%	12.0
Gearing	%	47.0%		49.8%		52.3%
Free Cash Flow	\$'m	14.6		14.9		8.0
ROCE #	%	14.5%	9.0%	13.3%	15.7%	11.5%
EPS*	cents	21.38c	13.7%	18.80c	11.8%	16.82c
DPS*	cents	13.0c	8.3%	12.0c	14.3%	10.5c

\* Fully Diluted,

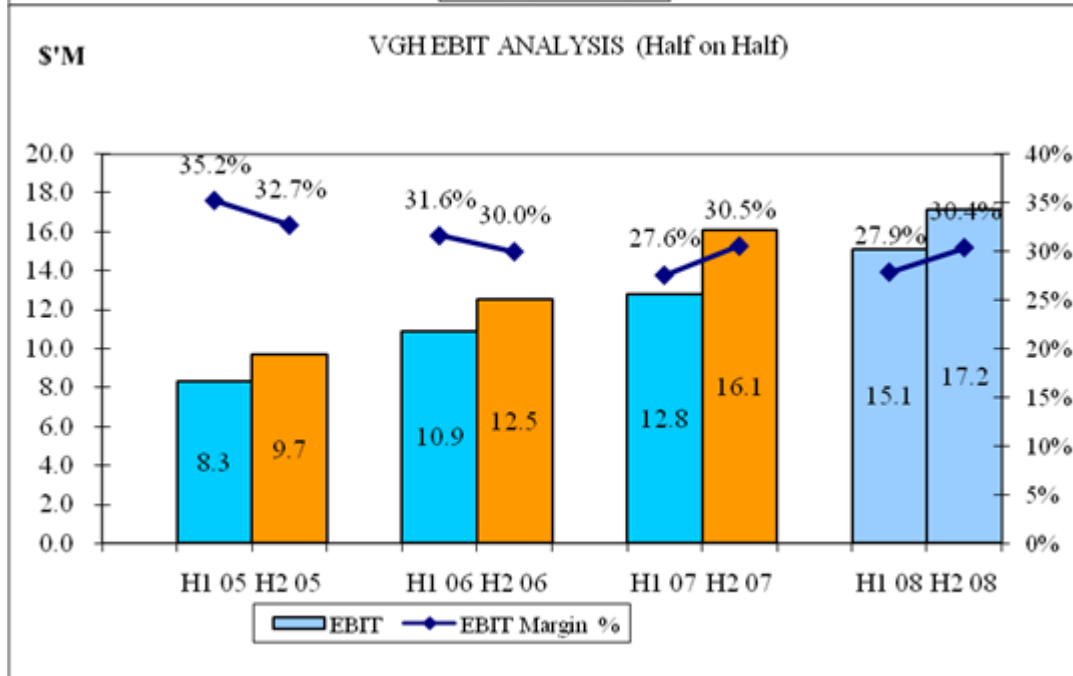
# ROCE=EBIT/Capital Employed

# Financial Results Year Ended 30 June 2008



- **Organic Growth delivered**

- Non discretionary revenue up growing well
- Refractive softened

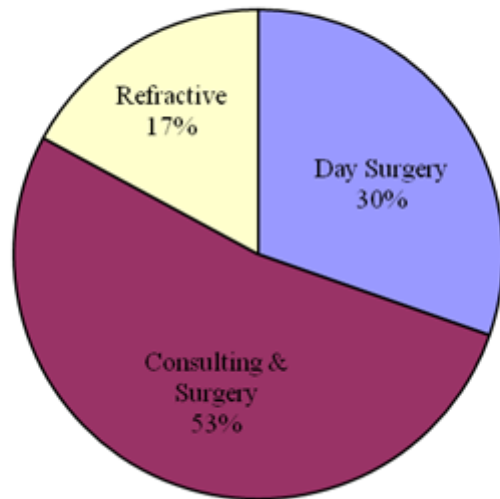


- **EBIT Split 47%: 53%**

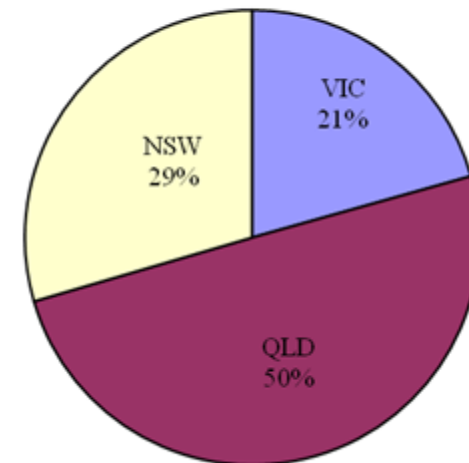
- **EBIT Margins maintained**

# Revenue Performance– 2007/08

**Revenue FY08**



**REVENUE BY STATE - FY 08**



## **2008/09 – Review Expectations (Full Year)**

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- **Refractive remains under pressure – down 20%.**
- **Continued non discretionary growth – up 5%.**
- **Full Year EBIT – down 10%-15% year on year due to refractive and new doctor impact.**

# Vision Group Holdings Limited AGM 2008



- **\$160m Revolving Facility in place until February 2010 (\$49m available, \$111m drawn down)**

	Average Debt	FY 08 Actual		FY 08 Using Current Rates	
	\$'m	Rate	\$'m	Rate	\$'m
Fixed Rate	80.0	7.56%	6.0	8.95%	7.2
Floating Rate	32.5	7.90%	2.6	8.44%	2.7
<b>\$M</b>	<b>112.5</b>		<b>8.6</b>		<b>9.9</b>

# Delivering our Strategy

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# Vision Group Holdings Limited AGM 2008



<b>CURRENT FOCUS</b>	<b>STATUS:</b>
1. Doctor Re-contracting	<ul style="list-style-type: none"><li>• <b>Positive response from Doctor Partners</b></li></ul>
2. Appoint a new CEO	<ul style="list-style-type: none"><li>• <b>Appointment of Mr Craig Stamp announced</b></li><li>• <b>Significant industry experience</b></li></ul>
3. Refractive marketing <ul style="list-style-type: none"><li>• One Brand</li><li>• Improved web presence</li></ul>	<ul style="list-style-type: none"><li>• <b>New Brand launched</b></li><li>• <b>Website redevelopment underway (Online marketer recruited)</b></li></ul>
4. Work Practices <ul style="list-style-type: none"><li>• Optometric model</li><li>• Benchmarking costs</li></ul>	<ul style="list-style-type: none"><li>• <b>Slow progress on optometric model</b></li><li>• <b>CEO (Craig Stamp) has expertise in this area</b></li></ul>

# Vision Group Holdings Limited AGM 2008



FUTURE FOCUS	STATUS:
<p>1. Robina – The Retinal Institute</p> <ul style="list-style-type: none"> <li>• 2 year build up phase (investing for the future)</li> </ul>	<p>Opening new state of the art site November 2008</p>
<p>2. Doctor Recruitment</p> <ul style="list-style-type: none"> <li>• Individuals into existing network</li> <li>• New Practices (need growth potential, opportunities take time)</li> </ul>	<p>FY07: 5 New Partners (34 partners)            FY08: 8 New Partners (42 partners)            FY09: 3 New Partners            4 in Pipeline (49 partners)</p>
<p>3. New Specialties</p> <ul style="list-style-type: none"> <li>• Fit with Vision Model and Infrastructure</li> <li>• Synergistic eg. Day Surgery use</li> <li>• Growth potential</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunity identified, scoped and ready to go in Plastic Surgery</li> <li>• New CEO has contacts to develop opportunities within ophthalmology</li> </ul>

# Delivering our Strategy

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- **Doctor Re-Contracting**

## DOCTOR CONTRACTS:

### **New Doctor Remuneration Model approved by VGH Board**

- Aim to reinvigorate organic revenue growth
- Fixed to Variable approach
- Rewards Revenue and Profit Growth
- Rewards retention of shareholding
- Implementation when existing contracts roll over

**All VGH Doctor Partners have had opportunity to be involved and provide feedback**

### **Positive response:**

- 9 senior Doctor Partners have given written commitments to re-sign

## DOCTORS CONTRACTS SIGNED COMMITMENT LETTERS

- |   |     |
|---|-----|
| 1. Dr Michael Lawless (Director)        | NSW |
| 2. Dr Chris Rogers (Alternate Director) | NSW |
| 3. Dr Paul Hughes                       | NSW |
| 4. Dr Joe Reich (Alternate Director)    | VIC |
| 5. Dr Paul Rosen                        | VIC |
| 6. Dr Darryl Gregor (Director)          | QLD |
| 7. Dr Bob Bourke                        | QLD |
| 8. Dr Lee Lenton                        | QLD |
| 9. Dr Peter Heiner                      | QLD |

## DOCTOR CONTRACTS (RENEWAL):

- 9 Doctor Partners Committed to renewal
- Represents 38 % of 2007/08 Revenue Base
- 18 Partners representing around 25% of Revenue have between 2.5 years and 5 years to run.
- 63% of Revenue covered for medium to long term.
- Renewal profile looks strong
- One on one renewal process yet to commence

## INVESTMENT INTEREST IN VISION GROUP

- **The objective is to create value for all shareholders**
- **Interest from Trade Buyers**
- **Interest from Private Equity groups**
- **Vision will explore these opportunities while continuing to execute its growth strategies in ophthalmology and other synergistic surgical specialties**