



**SONIC
HEALTHCARE
LIMITED**

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Sonic Healthcare to acquire the German Staber Laboratory Group

Sonic Healthcare Limited ("Sonic") (SHL.AX) is pleased to announce that it has signed binding agreements to acquire the Staber Laboratory group, headquartered in Munich, Germany.

Founded in 1982 by the late Dr. Fritz-Georg Staber, the group today operates 3 well-established hub laboratories in the cities of Munich, Dresden and Kassel as well as 14 regional, specialty and hospital laboratories across Germany. The group is managed by the Staber family's second generation of partners, who will stay with Sonic on a long-term basis, and includes around 50 medical doctors (pathologists) and 1,000 staff, with annual revenue of approximately €80 million.

The purchase price of €120 million (cash and debt free) will be funded in Euro from Sonic's existing cash and debt facilities. The transaction is expected to be accretive to Sonic's earnings per share by 3-4% in the first year, and this is expected to increase further as synergies from a wide range of operational areas are achieved over a 3 year implementation period. The return on invested capital (ROIC) will immediately exceed Sonic's cost of capital and is expected to be accretive to Sonic's ROIC from year 2.

The transaction is subject to antitrust approval and other usual closing conditions, and is expected to complete in the first quarter of calendar 2017.

Sonic's CEO, Dr. Colin Goldschmidt said: "Following Sonic's successful 12 year presence in the German laboratory market, the acquisition of the Staber group represents a significant, additional step in our growth strategy. Importantly, the Staber laboratories are located in regions complementary to ours and will in future form an important part of our ongoing expansion. I would like to warmly welcome all doctors, managers and staff of the Staber Laboratory group into Sonic's German and international teams."

For further information regarding this announcement, please contact:

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