



MEDIA RELEASE – 22 FEBRUARY, 2011

**FINANCIAL RESULTS
FOR THE HALF YEAR ENDED
31 DECEMBER 2010**

1. Highlights

	Constant currency*	Constant Currency increase on previous year	Statutory
Revenue	\$1,612M	8%	\$1,514M
EBITDA	\$283M	3%	\$265M
Net Profit	\$144M	(7)%	\$135M
Operating Cash Flow	\$221M	12%	\$221M

- Business performing strongly, financial result impacted by fee cuts and new collection centre regulations in Australian pathology.
- Volume growth returns to Australian pathology market, plus market share gains for Sonic.
- Margin expansion in all major divisions except Australian pathology, with significant further synergy potential in USA and Europe.
- Five synergistic offshore laboratory acquisitions completed in the past six months.
- Active acquisition pipeline, with ~A\$500M of funding headroom available.

2. Full year 2011 guidance

Sonic gave guidance in August 2010 for the 2011 financial year of net profit growth of 5-15% over the 2010 level of A\$293M, on a constant currency basis*. Sonic now expects its 2011 result to be towards the lower end of this range due to the regulatory issues in Australian pathology, and the impacts of the recent severe weather experienced in Queensland and the northern hemisphere. This guidance excludes the impact of business acquisitions through the year.

3. Dividends

- Interim Dividend 24¢ per share (unchanged from prior year), 28% franked.
- Record date – 10 March 2011.
- Payment date – 24 March 2011.
- Dividend reinvestment plan remains suspended

* **Constant currency:** Current period results presented using the comparative period currency exchange rates to translate offshore earnings.

4. **Commentary on Results**

Sonic Healthcare today reported an interim net profit for the half year to 31 December 2010 of A\$135 million, equivalent to A\$144 million on a constant currency basis. The result was achieved on revenues of A\$1,513 million, equivalent to A\$1,612 million on a constant currency basis, 8% higher than the corresponding period in the prior year. Net profit growth was negatively impacted by ~A\$21 million (~A\$30 million of EBITDA) due to the impacts of fee cuts and new collection centre regulations in Australian pathology.

Sonic's CEO, Dr Colin Goldschmidt, said: "Whilst Government actions have severely impacted on our Australian pathology operations, the other 70% of the company has performed strongly over the half year and despite the issues in Australia, we are on track to deliver profit growth towards the lower end of our full year guidance range."

Dr Goldschmidt added: "The results for Australian pathology were also impacted by unusually low market volume growth rates in the September quarter. Fortunately market growth has improved since October and we believe that Sonic has also gained market share over this period."

We have continued to grow our pathology operations in the USA and Europe, completing two synergistic follow-on acquisitions in Belgium, and three in the USA. The benefits of these acquisitions will flow in the second half and for years to come."

Dr Goldschmidt pointed to the ongoing margin improvements in Sonic's USA and German operations as the most pleasing aspect of the result. He advised: "We expect this to be a continuing feature of our operations in those markets as further synergies are realised from the acquisitions we have made to date."

Sonic Healthcare benefits from exceptional operational management teams around the world, who are bound together by Sonic's unique medical leadership culture and federation structure. These managers, along with our pathologists, radiologists, and more than 25,000 staff around the globe, deliver outstanding personalised service to our referring physicians. This provides competitive advantage, and I sincerely thank and congratulate all Sonic people for the important part they play in our service delivery."

Dr Colin Goldschmidt

CEO and Managing Director

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For further information regarding the result, please refer to Dr Goldschmidt's PowerPoint Presentation and to Sonic's Appendix 4D Half Year Report, both of which will be posted on the Sonic Healthcare website by 10.00am, 22 February 2011 (www.sonichealthcare.com).

Forward-looking statements

This media release may include forward-looking statements about our financial results, guidance and business prospects that may involve risks and uncertainties, many of which are outside the control of Sonic Healthcare. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date that they are made and which reflect management's current estimates, projections, expectations or beliefs and which involve risks and uncertainties that could cause actual results and outcomes to be materially different. Risks and uncertainties that may affect the future results of the company include, but are not limited to, adverse decisions by Governments and healthcare regulators, changes in the competitive environment and billing policies, lawsuits, loss of contracts and unexpected growth in costs and expenses. The statements being made in this media release do not constitute an offer to sell, or solicitation of an offer to buy, any securities of Sonic Healthcare. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Sonic Healthcare). In particular, no representation, warranty or assurance (express or implied) is given in relation to any underlying assumption or that any forward-looking statement will be achieved. Actual future events may vary materially from the forward-looking statements and the assumptions on which the forward-looking statements are based. Given these uncertainties, readers are cautioned to not place undue reliance on such forward-looking statements.