



MEDIA RELEASE – 21 FEBRUARY, 2012

**FINANCIAL RESULTS
FOR THE HALF YEAR ENDED
31 DECEMBER 2011**

1. Highlights

A\$M	Constant currency*	Constant currency increase on previous year	Statutory	Statutory increase on previous year
Revenue	1,692	12%	1,642	9%
EBITDA (pre- acquisition costs)	304	14%	297	11%
Net Profit	146	8%	143	6%

- Business performing strongly, on track to meet full year EBITDA growth guidance.
- Strong organic revenue growth, market share gains and margin expansion in Australian Pathology.
- Strong organic revenue growth and margin expansion in Germany.
- Market share gains in USA despite weak macro growth environment.
- Significant further synergy capture and margin expansion expected in USA and Europe.

2. Full year 2012 guidance

After 7 months of trading, Sonic is on track to deliver EBITDA growth of 10-15% over the 2011 level of A\$570M, on a constant currency basis (applying 2011 average currency exchange rates to 2012).

Net interest expense is now expected to increase by approximately 25% over the 2011 level of A\$65M on a constant currency basis, reduced from 30% when guidance was first given in August 2011. Underlying floating interest rates are assumed to remain constant during the second half.

The effective tax rate is still expected to be approximately 26%.

This guidance excludes the impact of business acquisitions after August 2011.

3. Dividend

- Interim Dividend 24¢ per share (unchanged from prior year), 35% franked.
- Record date – 7 March 2012, Payment date – 22 March 2012.
- 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 2011 of A\$143 million, equivalent to A\$146 million and an 8% increase on a constant currency basis. The result was achieved on revenues of A\$1,642 million, equivalent to A\$1,692 million on a constant currency basis, 12% higher than the corresponding period in the prior year.

Sonic's CEO, Dr Colin Goldschmidt, said: "In a time of global uncertainty and weak economic conditions, Sonic's operations continue to perform strongly, taking market share from competitors and increasing margins through synergy capture, tight cost control and revenue growth. Ongoing headwind from the strong Australian dollar softens our statutory reported results, but do not impact our underlying business performance.

Sonic's Australian Pathology operations have continued the turnaround which commenced in the second half of the 2011 financial year. Revenue growth of 8% and more than 150 basis points of margin improvement are pleasing outcomes in a market still challenged by high collection costs as a result of changes to the regulations around collection centres. Our focus on quality, customer service and brand strength have enabled us to grow market share despite opening proportionately fewer collection centres than others."

Dr Goldschmidt indicated that Sonic's pathology operations in Germany were a standout performer in the result with margin improvement of more than 150 basis points. He advised: "Our organic revenue growth in Germany was better than we expected and, combined with improved efficiency and synergy capture, delivered significant bottom line growth. We expect ongoing improvement in Germany as synergies from past acquisitions are realised.

Sonic's other European pathology operations, our Radiology division and IPN have also performed strongly during the half year."

Dr Goldschmidt added: "All US laboratory companies have been impacted by the weak US economy, causing low to flat organic revenue growth. Our operations have fared better than many competitors, but we look forward to the return of normal industry growth rates in the near future."

Dr Goldschmidt concluded: "Sonic's global focus on corporate culture, quality and customer service are the keys to building a strong and successful company. Integral to our strategy is ongoing enhancement of returns from invested capital, as well as earnings per share. These will be delivered by synergy capture and margin expansion from our existing infrastructure, as well as suitably priced, highly synergistic, acquisitions.

Sonic's model of corporate owned diagnostic healthcare would not work without the deep dedication, loyalty and talents of our many people, and I wish to thank each of them for their ongoing contributions."

Dr Colin Goldschmidt
CEO
Sonic Healthcare Limited

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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, 21 February 2012 (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.