



SONIC
HEALTHCARE
LIMITED

SONIC HEALTHCARE LIMITED

SIGNING OF MERGER WITH SOUTHSIDE DIAGNOSTIC SERVICES

Sonic Healthcare Limited (**SHL**) is pleased to announce that it has executed overnight definitive agreements for the acquisition of the Brisbane based private radiology practice, Southside Diagnostic Services Group (**SDSG**). Completion of the transaction remains subject to commercial conditions but is expected in early December 2003.

SDSG comprises Brisbane suburban radiology practices with annual revenue of approximately \$6 million, and will provide Sonic's subsidiary, Queensland X-Ray, with wider coverage in the Brisbane region. SDSG will be incorporated into the management structure of Queensland X-Ray, however its identity will be retained, as will the majority of its practice locations.

In announcing the transaction, Sonic's Managing Director, Dr Colin Goldschmidt said, "Queensland X-Ray and Sonic understand the importance of preserving the Southside Diagnostic Group's established reputation. Southside provides quality diagnostic services for its patients and referring clinicians in a unique market segment." He also noted that "this transaction is a clear example of Sonic's ongoing strategy to create value through synergistic acquisitions."

Consideration for the transaction will include a cash payment and the issue of 258,177 ordinary shares in Sonic to the vendor radiologists, who have given long-term commitments to the SDSG business and Sonic. The issue price of the shares will be \$5.81, which is reflective of Sonic's share price in the period of the initial negotiations. The shares will be subject to voluntary escrow with a third being released on each anniversary of the date of issue.

For further information regarding this announcement, please contact:

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