



**SONIC
HEALTHCARE
LIMITED**

SONIC HEALTHCARE ACQUIRES OMNILABS LIMITED

Further to Sonic Healthcare's announcement of 5 June, 2003, Sonic, through its UK subsidiary, The Doctors Laboratory Limited (TDL), has completed the pathology acquisition of Omnilabs Limited (Omnilabs) from MIA Group Limited. The sale includes Omnilabs' histopathology and cytology businesses, which are to be the subject of separate joint ventures with Medical Solutions plc (MS).

The Omnilabs acquisition consists of a cash payment to MIA of £6.34 million, with the potential for further consideration through earn-outs related to the successful utilisation of tax losses by TDL and the future performance of specific, previously identified pathology opportunities.

The transaction includes a cash payment of £0.45 million paid to Sonic by Medical Solutions in consideration for their equity shares in two joint ventures. The histopathology joint venture (75% MS, 25% TDL) will be managed by MS and the separate cytology joint venture (75% TDL, 25% MS) will be managed by TDL. The histology and cytology businesses acquired from MIA will form the core of these joint ventures.

Sonic's Managing Director, Dr Colin Goldschmidt, said "Our assessment of the Omnilabs transaction value relates to the potential for the realisation of synergy benefits between the TDL and Omnilabs operations and is based on proven experience from similar acquisitions in Australia. The Omnilabs practice will integrate neatly into TDL's UK infrastructure and we anticipate that, by the end of this year, the combined practices will be operating from TDL's new, state-of-the-art laboratory facility in Whitfield Street, Central London".

Dr Goldschmidt said that the planned merger of the two laboratories will provide scale and efficiency benefits and that the Omnilabs acquisition, together with the cytology and histology joint ventures, represent important strategic steps for Sonic in its UK expansion. He added "This transaction includes the formalisation of a Sonic-MIA alliance to provide combined pathology-radiology services to interested parties in the UK and we look forward to working with MIA to provide comprehensive medical diagnostics to hospitals and other customers into the future."

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