



MEDIA RELEASE – 25 AUGUST, 2003

FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE, 2003

1. HIGHLIGHTS

- **Revenue of \$974.8M, an increase of 13.4% over the previous period reflecting strong organic growth and recent acquisitions** (in line with Sonic's August 2002 guidance).
- **EBITA of \$173.1M, an increase of 18%** (in line with Sonic's August 2002 guidance).
- **EBITA margins increased from 17.1% to 17.8%** (in line with Sonic's August 2002 guidance).
- **Core Net Profit \$99.5M, an increase of 19.6% flowing from revenue growth and higher margins.**
- **Core EPS of 37.8¢, an increase of 13.5%.**
- **17¢ fully franked final dividend to be paid on 7 October 2003** (total dividend for the year up 25%).
- **Dividend Reinvestment Plan reinstated.**
- **SciGen demerged and distributed to Sonic shareholders in November 2002.**

2. 2004 GUIDANCE

- **Revenue** **\$1,020M - \$1,035M**
- **EBITA** **\$185M - \$195M**

3. COMMENTARY ON RESULTS

Sonic Healthcare today reported a core net profit (before amortisation of intangibles) for the year to 30 June 2003 of \$99.5 million, an increase of 19.6% over the previous year. The result was achieved on revenues of \$974.8 million, 13% higher than the previous year.

Sonic's Managing Director, Dr Colin Goldschmidt, said that the result, which was in line with guidance given in August 2002, reflected the benefits of the group's organic and acquisitional growth and improved efficiency. "Our strategies of growth, service enhancement and synergy capture continue to drive Sonic's progress and to deliver shareholder value. The year's margin expansion and 14% earnings per share growth are pleasing and we are delighted that this is Sonic's eighth consecutive year of double-digit EPS growth".

The group's UK operation, TDL, continues to perform strongly, with significant growth in both revenue and EBITA. Recent developments in the UK include the acquisition of the Omnilabs pathology group in July 2003 and the announcement of a strategic joint venture with the University College London Hospital (UCLH), one of the UK's most prestigious teaching hospitals. TDL (including the merged Omnilabs operation), is expected to move into a new, state-of-the-art laboratory facility in December 2003 and will partner with UCLH to form a high-volume automated laboratory in the new facility for the routine pathology testing of both entities.

Dr Goldschmidt said that the UCLH joint venture represented an important milestone in Sonic's history. "We are privileged to work with UCLH and we anticipate that the relationship will bring benefits to both groups at many levels. The TDL/UCLH joint venture will create the platform for growth in both the public and private pathology markets in the UK".

Dr Goldschmidt said that the 25% increase in total dividends for the year reflected Sonic's strong cashflow generation and increasing profits. "Our strong and predictable cashflows allow us to reward shareholders with a growing dividend yield, while simultaneously pursuing our ongoing expansion strategy in local and overseas markets."

For further information regarding the 2003 result, please refer to Dr Goldschmidt's PowerPoint Presentation and to Sonic's Appendix 4E Preliminary Final Report, both of which will be posted on the Sonic Healthcare website at 10.30am, 25th August 2003 (www.sonichealthcare.com.au).

**Dr Colin Goldschmidt
Managing Director
Sonic Healthcare Limited
Ph: (02) 9855 5333
Fax: (02) 9878 5066**