



8 November 2010

Sonic Healthcare to Acquire CBLPath

Sonic Healthcare Limited ("Sonic") (SHL.AX) is pleased to announce that it has reached agreement to acquire **CBLPath**, based in Rye Brook, Westchester County, within the New York City metropolitan area, USA.

CBLPath has grown consistently to become one of the largest independent anatomical pathology laboratories in the USA, with current annual revenues exceeding US\$80 million. Using its leading geographical presence in the Northeast as a base, CBLPath has expanded over recent years to offer its services more broadly across the USA.

CBLPath will work closely with Sonic's clinical laboratory divisions to cross sell services to their respective referrer bases. Sonic currently has clinical laboratory operations in eight of the ten States from which the majority of CBLPath's revenue is sourced. Significant revenue synergies are expected to be realised from the cross sell opportunities in FY2012 and following years. In addition, there are a number of cost synergies which Sonic can offer CBLPath, particularly in the areas of logistics, purchasing and billing.

The CBLPath management team and structure will remain unchanged following the transaction. CBLPath's senior management and pathologists have extensive industry experience and have demonstrated an exceptional ability to grow the business.

The purchase price of US\$123.5 million (cash & debt free) will be funded in USD from Sonic's existing debt facilities, and represents a prospective (FY2012) EBITDA multiple of ~8 times pre synergies. The acquisition will be immediately EPS accretive. Completion of the transaction is expected in December 2010 and is conditional upon CBLPath shareholder approval and anti trust clearance. Galen Partners, a leading healthcare private equity firm, owns over 40% of CBLPath, with the balance owned by management, staff and other private investors.

Sonic is pleased to welcome the management, pathologists and staff of CBLPath into its USA team. As a high quality, service focused, medically led organisation, CBLPath is a natural fit within Sonic's global laboratory operations. The similarity in cultures was a significant factor in the two groups reaching agreement to come together.

For further information regarding this announcement, please contact:

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