



MEDIA RELEASE – 23 AUGUST, 2004

FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE, 2004

1. HIGHLIGHTS

- Revenue of \$1,037.4M, an increase of 6.4% over the previous year
- EBITA up 13.5% to \$196.6M
- EBITA margin increase from 17.8% to 18.9%
- Revenue and EBITA exceed Sonic guidance given in August 2003
- Core Net Profit up 17.6% to \$117.0M
- Core EPS up 14.8% to 43.4¢
- Net profit after tax up 41% to \$57.6M
- EPS up 38.2% to 21.7¢
- Total dividends up 20% to 30¢ (final dividend 20¢ fully franked to be paid on 20 September 2004)

2. 2005 GUIDANCE

- Revenue \$1,290M - \$1,330M
- EBITA \$235M - \$245M
- Includes IPN from 26 August 2004

3. COMMENTARY ON RESULTS

Sonic Healthcare today reported a core net profit (before amortisation of intangibles) for the year to 30 June 2004 of \$117.0 million, an increase of 17.6% over the previous year. The result was achieved on revenues of \$1,037.4 million, 6.4% higher than the previous year.

Sonic's Managing Director, Dr Colin Goldschmidt, said "Sonic has delivered a result in line or better than the guidance given in August 2003. A full percent of margin expansion and 15% EPS growth are particularly pleasing, demonstrating the success of our strategies of growth, service enhancement and synergy capture. This is Sonic's ninth consecutive year of double digit EPS growth, and with the recent addition of the Schottdorf Group into Sonic, EPS growth for 2005 should be even higher."

Dr Goldschmidt said that the 20% increase in total dividends for the year reflected Sonic's strong and predictable earnings and cashflows. "We are delighted that Sonic is able to reward shareholders with increasing fully franked dividends while simultaneously pursuing our ongoing expansion strategy in local and overseas markets."

Dr Goldschmidt noted that a number of significant milestones occurred during the year including:

- TDL, Sonic's UK operation, moved into their new state-of-the-art laboratory facility in central London.
- The acquisition of the Omnilabs pathology group was settled in July 2003, and the Omnilabs operations were fully merged into TDL in late December.
- TDL's ground breaking joint venture with the University College London Hospital (UCLH), one of the UK's most prestigious teaching hospitals, to form a high-volume automated laboratory for the routine pathology testing of both entities is in place and operating successfully.
- Diagnostic Medlab (DML), Sonic's Auckland based pathology subsidiary, officially opened their extended state-of-the-art laboratory facility. DML's laboratory now ranks as one of the finest in the Sonic group.
- Sonic's proprietary laboratory information system Apollo, was implemented into Diagnostic Services (Sonic's Tasmanian subsidiary) in December 2003 and Southern.IML Pathology (based in Wollongong) in August 2004. The Apollo radiology information system was progressively implemented into Queensland X-Ray, Castlereagh Imaging and Illawarra Radiology Group throughout the year.
- The acquisition of a 55.9% controlling interest in the Schottdorf Group, one of the largest private pathology laboratory operations in Germany. This acquisition was completed just prior to year end but its consolidation into Sonic's 2005 result will significantly increase both revenue and profit.

Dr Goldschmidt said, "The Schottdorf acquisition is a key strategic move for Sonic in continental Europe and we see major benefits flowing at both financial and operational levels. From a company-wide perspective, Sonic's strong and stable position presents a very positive outlook for future shareholder value generation. This result and the platform we have created for future growth is a tribute to the commitment of our dedicated team of doctors, managers and staff."

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For further information regarding the 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 10.00am, 23rd August, 2004 (www.sonichealthcare.com.au).