



MEDIA RELEASE – 23 AUGUST 2007

**FINANCIAL RESULTS
FOR THE YEAR ENDED
30 JUNE 2007**

1. Financial Result Highlights

		Increase on previous year
Revenue	\$1,886.1M	14%
EBITA	\$343.6M	12%
Net Profit	\$198.1M	15%
Cashflow from operations	\$267.9M	8%
EPS (diluted)	65.5¢	12%

- Revenue and EPS growth guidance achieved.
- Twelfth consecutive year of double digit EPS growth.

2. Dividends

- Final Dividend 29¢ fully franked – total dividends for the year increased 12%.
- Record date – 5 September 2007.
- Payment date – 20 September 2007.

3. 2008 Guidance

As a result of the acquisitions in the 2007 year and those announced after year-end, plus ongoing strong organic growth, Sonic's revenue for 2008 is expected to be 20-25% above the 2007 figure.

Earnings per share growth is expected to be at least 12%, depending on foreign exchange and interest rate movements, the timing of settlement of announced acquisitions and the outcome of the capital raisings announced today.

4. **Commentary on Results**

Sonic Healthcare today reported a record net profit of \$198 million for the year to 30 June 2007, an increase of 15% over the comparative period. The result was achieved on revenues of \$1,868 million, 14% higher than the prior year.

Sonic's CEO and Managing Director, Dr Colin Goldschmidt, said: "Sonic Healthcare has once again delivered record earnings, exceeding the guidance we outlined in August 2006. Our core pathology companies have performed with distinction and are well placed to lead the group's successes into the future. Our activities over recent months have seen Sonic's growth accelerate substantially, with the acquisition of outstanding laboratory companies in Switzerland, Germany and the United States. With revenues set to increase to well over A\$2 billion in the 2008 financial year, Sonic is now the largest international diagnostic services company in the world. Our plan for the future is to expand further in our three major markets of Australia, Europe and the USA."

Dr Goldschmidt added: "The strength of the company and the key to Sonic's success lie in our unique federated model of personalised and medically-focused service provision, delivered by a dedicated team of highly talented and professional people. Our newly acquired partners are committed to the Sonic model and I believe that the common culture around our expanded group will be a strong force in our future expansion. The opportunities for growth, particularly in the large markets of Europe and North America, are substantial."

Dr Goldschmidt advised that Sonic continues to progress negotiations with a number of acquisition and outsourcing targets in both the US and Europe and that he expected further significant growth in these large laboratory markets over the coming years, with strong potential for synergies now that major beach heads are in place.

He said: "Whilst 2007 was a difficult year for our radiology division, with pressure on costs and margins, I am pleased that margins improved in the second half and we remain confident that a range of initiatives will ensure further improvements in the performance of this division of Sonic."

Dr Goldschmidt added: "The enviable position that Sonic holds in the international diagnostics community is a tribute to our talented, loyal and dedicated team of pathologists, radiologists, managers and staff, all of whom I wish to thank and congratulate for their contributions to the success of the Sonic group."

Sonic's Board has declared a fully-franked dividend of 29 cents per share, making total dividends of 46 cents per share for the full year, a 12% increase over the previous year.

Key milestones of the last year include:

- The acquisition of American Esoteric Laboratories (AEL) in January 2007, Sonic's second major transaction in the US laboratory market.
- The acquisition of the minority interests in Clinical Pathology Laboratories (CPL), to facilitate synergies with AEL, given their geographical overlap.
- The establishment of a US Head Office structure to drive the growth and efficiency of our US business. The US team is headed by Dr Robert Connor as CEO with Mr David Schultz as President and COO.
- The acquisitions of Cognoscenti Health Institute (Orlando, Florida) and Mullins Pathology (Augusta, Georgia) opening new regions for further growth in the south-east of the USA.
- The acquisition of Sunrise Medical Laboratories (Long Island, New York) in July 2007, a high quality, high growth practice.

- Sonic now has prospective annualised revenue in the US of >A\$500M.
- The acquisition of the Medica Laboratory Group (Switzerland) in May 2007, a laboratory with a reputation for service and scientific excellence.
- Agreement to move to 100% ownership of the Schottdorf Group, Sonic's existing German subsidiary.
- Agreement to acquire Bioscientia Healthcare (Germany), one of Europe's top laboratories.
- Post Bioscientia, Sonic will have prospective annual revenues in Europe of >A\$500M, and will be Europe's largest laboratory company.
- Completion of construction of Sonic's new headquarters and Douglass Hanly Moir Pathology laboratory in Macquarie Park, Sydney. This state-of-the-art facility will be operational in late 2007, and will increase efficiencies in Sonic's Australian pathology operations.

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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 by 10.00am, 23 August 2007 (www.sonichealthcare.com.au).