



MEDIA RELEASE – 27 FEBRUARY 2007

**FINANCIAL RESULTS
FOR THE HALF YEAR ENDED
31 DECEMBER 2006**

1. Financial Result Highlights

		Increase on previous year
Revenue	\$881.3M	12%
EBITA	\$160.2M	9%
Net Profit	\$93.5M	12%
Cashflow from operations	\$138.1M	15%
EPS (diluted)	31.2¢	8%

2. Dividends

- Interim Dividend 17¢, fully franked – up 13%.
- Record date – 14 March 2007.
- Payment date – 28 March 2007.

3. 2007 Guidance

- Unchanged since 22 August 2006.
- Revenue Growth including full year of CPL
 - Organic growth ~ 5%
 - Revenue growth including CPL and AEL ~12%
- Earnings Growth
 - EPS growth ~ 10%
- Revenue and earnings growth exclude acquisitions and possible DML-related impacts.

4. **Commentary on Results**

Sonic Healthcare today reported a record interim net profit of \$94 million for the half year to 31 December 2006, an increase of 12% over the comparative period. The result was achieved on revenues of \$881 million, 12% higher than the corresponding period in the prior year.

Sonic's CEO and Managing Director, Dr Colin Goldschmidt said: "Sonic's core operations have again performed strongly over this half year period and we are on track to deliver on our previously released guidance for the full year. The strength of Sonic's brands and the quality and experience of Sonic's people will continue to drive our earnings growth into the future."

Sonic's off shore expansion has progressed further with the completion of its second major transaction in the US laboratory market, the acquisition of American Esoteric Laboratories (AEL). AEL represented a high quality group of practices, with a good cultural and geographical fit with Sonic's existing US operations.

In order to better manage Sonic's expanding US businesses, Sonic has established a US company, Sonic Healthcare USA, Inc., which will function as the corporate "parent" of Sonic's US divisional structure. Dr Goldschmidt added, "I am delighted to announce that Sonic Healthcare USA will be led by Dr Robert Connor as CEO and David Schultz as President and COO. I am confident that our management team will grow our US business both organically and by acquisition, and will foster the extraction of synergies across the various federation member practices within Sonic's US group."

Dr Goldschmidt advised that Sonic is currently progressing 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.

He said: "As flagged previously, we have continued to experience pressure on margins in our radiology division, but we remain confident that a range of initiatives, including our innovative incentive structures and networked digital imaging solutions, will ensure improvements in the performance of this division of Sonic in the 2008 financial year."

Dr Goldschmidt added: "Sonic's unique model of personalised and medically-focused laboratory and imaging services, within a federation structure, continues to attract potential new partners to Sonic and also encourages outstanding performance from Sonic's people in all entities. With this culture and framework, the opportunities for growth, particularly in the large markets of Europe and North America, are substantial. 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 interim dividend of 17 cents per share, a 13% increase over the previous year's interim dividend.

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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, 27 February 2007 (www.sonichealthcare.com.au).