



2014 ANNUAL GENERAL MEETING – CHAIRMAN’S ADDRESS

Ladies and gentlemen,

The 2014 financial year was a very positive one for Sonic Healthcare. Highlights included:

- Strong financial results, with revenue up over 12%, net profit up almost 15%, and improved operating margins;
- Dividends declared increased 8% per share; and
- The acquisition and subsequent successful integration of the German businesses of Labco.

Since year end we have announced major successes in relation to outsourcing contracts in the UK and Canada, which will be described in more detail in our CEO’s presentation.

Sonic’s reputation as a quality focussed, medically led healthcare company continues to gain traction globally, differentiating us from competitors and creating growth opportunities. The Company is very well positioned, with a unifying and motivating culture, leading positions in stable and growing healthcare markets, experienced and dedicated management teams, and an investment grade balance sheet.

Sonic is set to continue to benefit from the expected growth in demand globally for diagnostic healthcare services. Our strategy is to continue to lead the consolidation of the markets in which we participate, increasing our market share both organically and through acquisitions. As we have demonstrated over the last two decades, this enables us to achieve economies of scale and other synergies, boosting returns on invested capital and earnings per share.

Governments and other healthcare funders around the world are under pressure to constrain the growing cost of healthcare. Encouraging early diagnosis through GP consultations, and laboratory and imaging testing is a key part of the solution, helping to prevent patients from ultimately requiring expensive acute care. This creates demand for Sonic’s services. The synergies we achieve also enable Sonic to provide our services at a very cost effective price. Our size, level of efficiency, and diversification by geography and business line help to protect us against fee pressures in any particular market.

Board renewal has been an important topic for Sonic’s Directors recently, with changes planned to occur in a prudent manner. As the first of those changes, I am delighted that Mark Compton has joined the Board as an independent, non-executive director. Mark has extensive senior executive and Board experience in healthcare services, and I am confident that his input and influence will add significant value to Sonic. Sonic’s Board now has a majority of independent directors, comprising five independent and four executive directors.

As you would have seen in the Notice of Meeting, I intend to retire from the Board next year. I have greatly enjoyed my 21 years as a Sonic Director, in particular my interaction with you, our shareholders, and with Sonic’s management and staff. The company has come a long way over that time, and I am confident there are great things to come. I am particularly proud of the contributions Sonic and its people make to local communities in addition to providing outstanding healthcare services, both through our ongoing major company-wide initiative, supporting the Heal Africa Hospital in the Congo, and also the many individual charitable activities, large and small, around our group.

I believe Sonic is very well placed to continue to deliver value to shareholders, and I thank my fellow Directors and our management team and staff for their expertise and dedication.

I also thank you for your continued support as shareholders.

Peter Campbell
20 November 2014