Sonic Healthcare Limited

ABN 24 004 196 909

ASX APPENDIX 4D AND HALF YEAR REPORT – 31 DECEMBER 2009

Lodged with the ASX under Listing Rule 4.2A

This information should be read in conjunction with the 2009 Annual Report.

RESULTS FOR ANNOUNCEMENT TO THE MARKET
For the six months ended 31 December 2009

Financial Results

$'000	Six months ended 31.12.09 Constant Currency	Six months ended 31.12.09 Statutory	Six months ended 31.12.08 Statutory	% Change 31.12.09 Constant Currency v 31.12.08 Statutory	% Change 31.12.09 Statutory v 31.12.08 Statutory
Revenue from ordinary activities	**1,566,016**	**1,489,021**	1,439,255	**8.8%**	**3.5%**
Earnings before interest, tax and depreciation and intangibles amortisation (**EBITDA**)	**288,202**	**275,151**	261,813	10.1%	
Depreciation and lease amortisation	**(49,045)**	**(47,263)**	(45,272)		
Earnings before interest, tax and intangibles amortisation (**EBITA**)	**239,157**	**227,888**	216,541	10.4%	
Amortisation of intangibles	**(6,349)**	**(6,156)**	(3,846)		
Net interest expense	**(24,559)**	**(21,401)**	(44,661)		
Income tax attributable to Operating Profit	**(46,036)**	**(44,767)**	(30,444)		
Net Profit attributable to Outside Equity Interests	**(334)**	**(324)**	(1,079)		
Net Profit attributable to shareholders of Sonic Healthcare Limited	**161,879**	**155,240**	136,511	**18.6%**	**13.7%**
Net Profit – adjusted for 31.12.08 Non-recurring items	**161,879**		144,256	**12.2%**	

Dividends

Cents per share	2009	2008	% Change
Interim dividend	**24¢**	22¢	9.1%
Interim dividend franked amount per security	**8.4¢**	13.2¢	

The record date for determining entitlements to the interim dividend will be 10 March 2010. The interim dividend will be paid on 25 March 2010. The Company's Dividend Reinvestment Plan (DRP) remains suspended for this dividend and until further notice. The 2010 interim dividend includes no conduit foreign income.

Earnings per share

Cents per share	Six months ended 31.12.09 Constant Currency	Six months ended 31.12.09 Statutory	Six months ended 31.12.08 Statutory	% Change 31.12.09 Constant Currency v 31.12.08 Statutory	% Change 31.12.09 Statutory v 31.12.08 Statutory
Basic earnings per share	**41.7¢**	**40.0¢**	39.3¢	6.1%	1.8%
Diluted earnings per share	**41.4¢**	**39.7¢**	38.8¢	6.7%	2.3%

An explanation of the figures reported above is provided in the following pages of this report.

COMMENTARY ON RESULTS
For the half year ended 31 December 2009

1. Key highlights

- Net profit growth in line with full year profit growth guidance given in August 2009.
- Market share gains and strong organic growth in Australian Pathology, the USA, Germany and the UK.
- Synergies driving strong margin expansion in the USA and Germany.
- Five pathology acquisitions completed; and funding available of ~A$600M for future acquisitions.
- Positive outlook with full year guidance reaffirmed - net profit expected to grow by 10-15% (on a constant currency basis), excluding acquisitions announced after August 2009.

2. Explanation of results

(a) Constant currency

As a result of Sonic's expanding operations outside of Australia, Sonic is increasingly exposed to currency exchange rate translation risk i.e. the risk that Sonic's offshore earnings and assets fluctuate when reported in AUD.

The average currency exchange rates for the six months to 31 December 2009 for the Australian dollar ("A$", "AUD" or "$") versus the currencies of Sonic's offshore earnings (USD, Euro, GBP, CHF, NZD) were significantly higher than in the comparative period, reducing Sonic's AUD reported earnings ("Statutory" earnings).

The underlying earnings in foreign currency are not affected, and as Sonic does not physically convert these earnings to AUD, there is no real economic effect of the currency rate volatility.

Sonic's results for the half year have therefore also been presented on a "constant currency" basis (i.e. using the same exchange rates to convert the current period foreign earnings as applied in the comparative period) to give a true reflection of the group's performance.

To manage currency translation risk Sonic uses "natural" hedging, under which foreign currency assets (businesses) are matched with same currency debt. Therefore:

- as the AUD value of offshore assets changes with currency movements, so does the AUD value of the debt; and
- as the AUD value of foreign currency EBIT changes with currency movements, so does the AUD value of the foreign currency interest expense.

As Sonic's foreign currency earnings have grown and debt has been repaid, the natural hedges have become less effective, so AUD reported earnings do fluctuate. Sonic believes it is inappropriate to hedge translation risk (a non-cash risk) with real cash hedging instruments.

(b) Non-recurring items ("NRIs")

In the comparative period (six months to 31 December 2008) non-recurring expenses were incurred totalling $11.0M pre-tax and $7.7M after tax. For more details, see Sonic's 2009 Annual Report.

The 31.12.08 "Statutory" results presented above have not been adjusted for these Non-recurring items.

No adjustments for Non-recurring items have been made in the current period results.

After adjusting the comparative period for the $7.7M of NRIs, Net Profit growth for the six months to 31 December 2009 was 12.2%.

COMMENTARY ON RESULTS
For the half year ended 31 December 2009 (continued)

(c) Revenue

Total revenue growth for the year was 8.8% at constant currency exchange rates (i.e. applying the average rates for the six months ended 31.12.08 to the current period results).

Revenue breakdown AUD M	**Six months ended 31.12.09 Revenue**	**% of Revenue**
Pathology – Australia	462	31%
Pathology – US	337	23%
Pathology – Europe	375	25%
Pathology – NZ	41	3%
Radiology	181	12%
Medical centres	85	6%
Revenue excluding interest income	1,481	100%
Interest income	8	
Total revenue (Statutory)	1,489	

Pathology organic revenue growth AUD M	**2009**	**2008**	**Organic growth**
Australia (i) (ii)	462.4	427.8	**8.1%**
US (i) (ii)	364.5	337.9	**7.9%**
Europe (i) (ii)	412.5	393.3	**4.9%**
New Zealand (i) (ii)	42.5	58.3	**(27.1)%**
Effect of acquisitions (i) (ii)	12.8	(34.5)	
Exchange rate movement effect (i)	(76.4)	-	
Pathology revenue as reported	1,218.3	1,182.8	

Notes:

(i) The geographic revenue figures shown for the six months to 31 December 2009 are presented using the six months to December 2008 currency exchange rates, and excluding the revenue of acquisitions completed in the 2009 year, the total of which is shown separately ($12.8M). The currency exchange rate effect is also shown separately, being $(76.4)M.

(ii) The geographic revenue figures shown for the six months to 31 December 2008 have been adjusted (increased) to include a full six months of revenue of acquisitions completed in that period. The total of these adjustments ($34.5M) is then reversed to reconcile back to the reported total.

COMMENTARY ON RESULTS
For the half year ended 31 December 2009 (continued)

(c) Revenue (continued)

Organic (non-acquisitional) revenue growth in Sonic's key pathology operations was above what Sonic believes are the relevant market growth rates. Particularly pleasing was the Australian Pathology organic growth of 8.1%. The organic growth rates in Australia and Europe were very strong given the effect during the period of cuts to the Australian Medicare (effective 1 November 2009) and German EBM (effective from January and April 2009) fee schedules. Sonic's Australian Pathology operations implemented significant billing policy changes in November and December 2009 which are expected to offset the November 2009 Medicare fee cuts.

New Zealand pathology revenue declined significantly as a result of Sonic's Auckland community laboratory contract finishing on 6 September 2009, however a new Auckland contract for ~10% of the previous volume was awarded to Sonic in October.

Revenue growth was augmented by synergistic business acquisitions during the current period and prior year including:

- GLP Medical Group, Hamburg, Germany (1 September 2008)
- Clinical Laboratories of Hawaii, USA (2 September 2008)
- Piedmont Medical Laboratory, Virginia, USA (31 July 2009)
- East Side Clinical Laboratory, Rhode Island, USA (30 November 2009)

Radiology revenue growth was 3.6%. Sonic's radiology revenue should improve in the second half of the financial year following fee increases from 1 November 2009 in the Australian Medicare radiology fee schedule. Sonic remains the second largest participant in the Australian radiology market.

Sonic's medical centre business, Independent Practitioner Network ("IPN"), achieved revenue growth of 7.4% through a combination of organic growth and small acquisitions.

Revenue was impacted by currency exchange rate movements, which decreased reported (Statutory) revenue by $76M compared to the comparative period.

COMMENTARY ON RESULTS
For the half year ended 31 December 2009 (continued)

(d) Margin analysis

	Six months ended 31.12.09	Six months ended 31.12.08	Movement
EBITDA as a % of Revenue	**18.5%**	18.2%	30 bps*
EBITA as a % of Revenue	**15.3%**	15.0%	30 bps*

*bps = basis points of margin

The margins presented above are shown on a Statutory basis, without adjusting for Non-recurring items in the comparative period or currency rate movements in the current period.

Operating margins have been diluted by the acquisitions of businesses during the current and prior year (including those listed in (c) above) which have lower margins than the average of Sonic's other businesses.

Margin expansion was strongest in the USA (80 bps) and Germany (30 bps, after adjusting the comparative period for a Non-recurring item), where synergy capture from acquisitions in the last few years continues. These results are particularly pleasing as these further improvements are following from >200 bps (USA) and >100 bps (Germany) of margin expansion in the comparative period. In addition, current period German margin expansion was impacted by the ~2% fee cuts to the EBM fee schedule which took effect from January and April 2009.

Australian Pathology margin growth was flat, despite the Medicare fee cuts from 1 November 2009.

New Zealand Pathology margins were severely impacted by the loss of the Auckland contract, and the adverse funding system now operating in New Zealand, which comprises fixed fee contracts.

Sonic's Radiology division margins continued to suffer from difficult market conditions, which the Australian Government recognised in the 2009 Federal Budget by announcing Medicare fee increases which came into effect from 1 November 2009.

Margins were also impacted by the expensing of acquisition related costs, totalling ~A$0.8M in the half year, following a change to accounting standards (AIFRS). Under accounting standards applying to previous periods these costs would have been capitalised into the carrying value of the acquisitions to which they relate.

COMMENTARY ON RESULTS
For the half year ended 31 December 2009 (continued)

(e) Depreciation and lease amortisation

Depreciation and leased asset amortisation has increased 8.3% on the comparative period (at constant currency rates) as a result of business acquisitions and growth. As a percentage of revenue, depreciation and amortisation at 3.1% is constant versus the comparative period.

(f) Intangibles amortisation

Intangibles amortisation mainly relates to internally developed software.

(g) Interest expense and debt facilities

Net interest expense has decreased 45% on the comparative period (at constant currency rates) mainly due to the equity raisings conducted in November and December 2008, and the reductions in US LIBOR and EURIBOR base rates since late 2008.

All of Sonic's bank debt is drawn in foreign currencies as "natural" balance sheet hedging of Sonic's offshore operations (see *(a) Constant currency* above).

Interest rate hedging arrangements are in place in accordance with Sonic's Treasury policy.

Sonic's net interest bearing debt at 31 December 2009 comprised:

	Facility Limit M	**Drawn M**	**AUD $M Available**
Bank debt facilities			
- USD limits	US$792	US$609	205
- Euro limits	€464	€446	28
- AUD (Multicurrency) limits*	A$216	A$178	38
Minor debt / leasing facilities	n/a	A$13*	-
Cash	n/a	A$(431)*	431
Available funds at 31 December 2009			702

* Various currencies, cash mainly AUD

The significant cash balance shown above reflects the A$469M of equity raised in November and December 2008, which set Sonic's balance sheet for future growth, including the Medhold (Belgium) acquisition completed on 12 February 2010.

In addition to the available funds noted above, Sonic issued notes to investors in the United States private placement market in January 2010, raising US$250M of long term (7 and 10 years) debt. Settlement of the Lademannbogen Laboratory (January 2010) and Medhold (February 2010) acquisitions utilised available funding of ~A$380M, leaving available funding/headroom at 22 February 2010 of ~A$600M (prior to payment of Sonic's 2010 interim dividend).

Sonic's credit metrics at 31 December 2009 were as follows:

	31.12.09	**30.6.09**	**31.12.08**
Gearing ratio	31.3%	32.1%	36.5%
Interest cover (times)	9.7	6.5	5.7
Debt cover (times)	1.9	2.2	2.3

Definitions:
- Gearing ratio = Net debt / [Net debt + equity] (bank covenant limit <55%)
- Interest cover = EBITA / Net interest expense (bank covenant limit >3.25)
- Debt cover = Net debt / EBITDA (bank covenant limit <3.5)
- Calculations as per Sonic's syndicated bank debt facility definitions

COMMENTARY ON RESULTS
For the half year ended 31 December 2009 (continued)

(g) Interest expense and debt facilities (continued)

Sonic's senior debt facilities at 22 February 2010 expire as follows:

	AUD M	USD M	Euro M
30 April 2010	144	192	18
5 November 2010	37	-	-
2011	19	182	205
2012	16	370	215
2014	-	48	26
2017	-	95	-
2020	-	155	-
	216	1,042	464

Sonic has been in regular communication with the six banks involved in the April 2010 maturities, and based on their feedback foresees no difficulty in refinancing these tranches. Sonic's excellent relationships with its banks, its investment grade credit metrics, and its strong and reliable cash flows significantly reduce refinancing risk.

(h) Tax expense

The effective tax rate of 22% is in line with the guidance provided in August 2009, and is higher than the comparative period (18%), which included adjustments relating to prior year over provisions. Ignoring the impact of future acquisitions, and any short term fluctuations, the effective tax rate for future periods is expected to be approximately 25%.

(i) Outside equity interests

The outside equity interest figures comprise minority interests in a number of small entities in the Group. The comparative period figure also includes minority interests in IPN (up until 30 September 2008, when Sonic acquired the balance of the equity in IPN).

(j) Cashflow from operations

Cash generated from operations of $197.5M (up 5.2% on the comparative period) was impacted by the timing of cashflows at the beginning of the period, with some reversal from the extremely strong cashflows reported in the 2009 financial year. In addition Australian Pathology trade receivables increased at period end as a result of increased private billing in November and December 2009.

(k) Earnings per share

Diluted earnings per share ("EPS") growth in the half year was significantly negatively impacted by the equity raisings conducted in November and December 2008. The second half of the 2010 financial year will not be similarly impacted as the shares will also have been on issue in the comparative period.

(l) Full year (2010) guidance reaffirmed

Sonic reaffirms its full year guidance given in August 2009 of Net Profit growth of 10-15% over the 2009 "Ordinary Earnings" level of A$315M, on a constant currency basis (applying 2009 average currency exchange rates to 2010). This guidance excludes the impact of business acquisitions not announced by August 2009 (East Side and Medhold).

STATUTORY
HALF YEAR REPORT

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report and annual financial statements for the year ended 30 June 2009 and any public announcements made by Sonic Healthcare Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

Directors' report

Your directors present their report on the Group consisting of Sonic Healthcare Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2009.

1. Names of directors

The directors of the company in office during the half year and up to the date of this report are:

Mr B.S. Patterson – Chairman
Dr C.S. Goldschmidt – Managing Director
Mr C.D. Wilks – Finance Director
Mr R.P. Campbell
Dr P.J. Dubois
Mr C.J. Jackson
Mr L.J. Panaccio

2. Review of operations

Revenue for the period increased 3.5% (8.8% on a constant currency basis) to $1,489,021,000, reflecting above market organic growth in Sonic's key pathology operations, augmented by a number of synergistic business acquisitions during the current period and prior year. Revenue growth was negatively impacted by the finalisation of Sonic's Auckland laboratory contract in September 2009, although a new, smaller contract was won in October.

Net profit increased 13.7% to $155,240,000 (18.6% up on a constant currency basis). Profit growth was in line with full year guidance of 10-15% given in August 2009. Full year guidance is reaffirmed.

Diluted earnings per share ("EPS") increased 2.3% (6.7% on a constant currency basis). EPS growth has been negatively impacted in the half year by the equity raisings conducted in November and December 2008, which set the Company's balance sheet for further growth by business acquisition. The second half of the financial year will not be similarly impacted as the shares will also have been on issue in the comparative period.

Highlights for the period include:

- Market share gains and strong organic growth in Australian Pathology, the USA, Germany and the UK.
- German and US synergies driving margin growth.
- Five pathology acquisitions completed; and funding available for future acquisitions of ~A$600M post the Medhold Group (Belgium) acquisition.
- New 4 year community laboratory contract won in Auckland, NZ for ~10% of the previous contract's volume.
- New 10 year contract won in the UK with the BMI Healthcare group, to provide laboratory services for BMI's 60 private hospitals.

Further information can be found in the accompanying *Commentary on Results for the half year ended 31 December 2009.*

Directors' report (continued)

3. Subsequent events

Since the end of the financial period, the directors are not aware of any matter or circumstance not otherwise dealt with in these financial statements that has significantly or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years other than as follows:

On 4 January 2010 the acquisition of the Lademannbogen Laboratory (Hamburg, Germany) was completed (see Sonic's ASX announcements dated 14 July 2009 and 5 January 2010 for more details).

On 12 January 2010 Sonic issued notes to investors in the United States private placement market, raising US$250M of long term (7 and 10 years) debt funding.

On 12 February 2010 Sonic completed the acquisition of the Medhold Group, based in Antwerp, Belgium for an enterprise value of €232M, representing an EBITDA multiple of ~8.4 times (see Sonic's ASX announcements dated 5 February and 15 February 2010 for more details).

On 22 February 2010 Sonic's directors declared a dividend of 24 cents per ordinary share 35% franked (at 30%) payable on 25 March 2010 with a record date of 10 March 2010. The interim dividend represents a 9% increase on the comparative period. The company's Dividend Reinvestment Plan ("DRP") remains suspended for this dividend and until further notice. The interim dividend includes no conduit foreign income.

4. Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is attached to this half year report.

5. Rounding of amounts to nearest thousand dollars

The company is a kind referred to in Class Order 98/0100 issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the directors.

Dr C.S. Goldschmidt
Director

C.D. Wilks
Director

Sydney
22 February 2010

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Auditor's Independence Declaration

As lead auditor for the review of Sonic Healthcare Limited for the half year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Sonic Healthcare Limited and the entities it controlled during the period.

Matthew Lunn
Partner

Sydney
22 February 2010

PricewaterhouseCoopers

CONSOLIDATED INCOME STATEMENT
For the half year ended 31 December 2009

	Notes	Six months ended 31.12.09 $'000	Six months ended 31.12.08 $'000
Revenue from operations		**1,479,982**	1,431,593
Other income		**9,039**	7,662
Total		**1,489,021**	1,439,255
Labour and related costs (including $3,724,000 (2008: $3,984,000) of equity remuneration expense)		**(660,159)**	(632,198)
Consumables used		**(261,468)**	(253,797)
Operating lease rental expense		**(69,884)**	(68,456)
Depreciation and amortisation of physical assets		**(47,263)**	(45,272)
Transportation		**(44,309)**	(46,038)
Repairs and maintenance		**(34,529)**	(31,064)
Utilities		**(32,409)**	(32,737)
Borrowing costs expense		**(29,145)**	(49,163)
Amortisation of intangibles		**(6,156)**	(3,846)
Other expenses from ordinary activities		**(103,368)**	(108,650)
Profit from ordinary activities before income tax expense		**200,331**	168,034
Income tax expense	3	**(44,767)**	(30,444)
Profit from ordinary activities after income tax expense		**155,564**	137,590
Net profit attributable to minority interests		**(324)**	(1,079)
Profit attributable to members of Sonic Healthcare Limited		**155,240**	136,511
Basic earnings per share (cents per share)	5	**40.0**	39.3
Diluted earnings per share (cents per share)	5	**39.7**	38.8

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 31 December 2009

	Six months ended 31.12.09 $'000	Six months ended 31.12.08 $'000
Profit from ordinary activities after income tax expense	**155,564**	137,590
Other comprehensive income		
Exchange differences on translation of foreign operations	**(67,686)**	123,967
Cash flow hedges	**3,178**	(25,412)
Actuarial gains / (losses) on retirement benefit obligations	**1,713**	(663)
Other comprehensive income for the period, net of tax	**(62,795)**	97,892
Total comprehensive income for the period	**92,769**	235,482
Total comprehensive income attributable to:		
Members of Sonic Healthcare Limited	**92,425**	234,318
Minority interests	**344**	1,164
	92,769	235,482

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET
As at 31 December 2009

	Notes	31.12.09 $'000	30.6.09 $'000
Current assets			
Cash assets and cash equivalents		**431,347**	557,932
Receivables		**353,544**	374,481
Inventories		**53,009**	51,872
Other		**35,687**	28,019
Total current assets		**873,587**	1,012,304
Non current assets			
Receivables		**5,407**	5,365
Other financial assets (investments)		**25,648**	22,423
Property, plant and equipment		**494,826**	492,956
Intangible assets		**3,098,250**	3,191,282
Deferred tax assets		**31,922**	35,256
Other		**3,248**	1,660
Total non current assets		**3,659,301**	3,748,942
Total assets		**4,532,888**	4,761,246
Current liabilities			
Payables		**200,844**	234,301
Interest bearing liabilities		**313,043**	421,999
Current tax liabilities		**18,833**	9,264
Provisions		**111,165**	123,116
Other financial liabilities (interest rate hedging)		**33,274**	40,289
Other		**9,519**	11,814
Total current liabilities		**686,678**	840,783
Non current liabilities			
Interest bearing liabilities		**1,267,782**	1,334,268
Deferred tax liabilities		**10,605**	5,768
Provisions		**37,623**	40,210
Other		**5,588**	8,134
Total non current liabilities		**1,321,598**	1,388,380
Total liabilities		**2,008,276**	2,229,163
Net assets		**2,524,612**	2,532,083
Equity			
Parent entity interest			
Contributed equity	8	**2,345,145**	2,299,256
Reserves		**(70,569)**	4,557
Accumulated profits		**247,349**	226,346
Total parent entity interest		**2,521,925**	2,530,159
Minority interests		**2,687**	1,924
Total equity		**2,524,612**	2,532,083

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED CASH FLOW STATEMENT
For the half year ended 31 December 2009

	Six months ended 31.12.09 $'000	Six months ended 31.12.08 $'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	**1,538,411**	1,443,166
Payments to suppliers and employees (inclusive of goods and services tax)	**(1,289,036)**	(1,177,223)
	249,375	265,943
Interest received	**7,745**	4,503
Borrowing costs	**(27,748)**	(49,441)
Income taxes paid	**(31,866)**	(33,314)
Net cash inflow from operating activities	**197,506**	187,691
Cash flows from investing activities		
Payment for purchase of controlled entities, net of cash acquired	**(107,374)**	(440,428)
Payments for property, plant and equipment	**(63,468)**	(63,763)
Proceeds from sale of non current assets	**1,794**	1,438
Payments for investments	**(12,478)**	(14,833)
Payments for restructuring and surplus leased space provisions	**(6,444)**	(131)
Payments for intangibles	**(16,032)**	(17,321)
Repayment of loans by other entities	**2,089**	1,143
Loans to other entities	**(2,012)**	(2,893)
Net cash (outflow) from investing activities	**(203,925)**	(536,788)
Cash flows from financing activities		
Proceeds from issues of shares and other equity securities	**31,557**	536,587
Proceeds from borrowings	**95,597**	716,831
Repayment of borrowings	**(99,699)**	(456,532)
Dividends paid to company's shareholders	**(135,950)**	(63,817)
Dividends paid to minority interests in controlled entities	**(162)**	(238)
Net cash (outflow) / inflow from financing activities	**(108,657)**	732,831
Net (decrease) / increase in cash and cash equivalents	**(115,076)**	383,734
Cash and cash equivalents at the beginning of the financial period	**557,932**	63,865
Effects of exchange rate changes on cash and cash equivalents	**(11,509)**	15,816
Cash and cash equivalents at the end of the financial period	**431,347**	463,415

The above statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the half year ended 31 December 2009

	Share capital $'000	Reserves $'000	Retained profits $'000	Total $'000	Minority interests $'000	Total $'000
Balance at 1 July 2009	2,299,256	4,557	226,346	2,530,159	1,924	2,532,083
Profit for period	-	-	155,240	155,240	324	155,564
Other comprehensive income for the period	-	(64,528)	1,713	(62,815)	20	(62,795)
Total comprehensive income for the period	-	(64,528)	156,953	92,425	344	92,769
Transactions with owners in their capacity as owners:						
Dividends paid	-	-	(135,950)	(135,950)	-	(135,950)
Shares issued	40,445	(8,857)	-	31,588	-	31,588
Transaction costs on shares issued, net of tax	(21)	-	-	(21)	-	(21)
Transfers to share capital	5,465	(5,465)	-	-	-	-
Share based payments	-	3,724	-	3,724	-	3,724
Minority interest on acquisition of subsidiary	-	-	-	-	581	581
Dividends paid to minority interests in controlled entities	-	-	-	-	(162)	(162)
Balance at 31 December 2009	2,345,145	(70,569)	247,349	2,521,925	2,687	2,524,612
Balance at 1 July 2008	1,709,577	(8,895)	249,308	1,949,990	12,089	1,962,079
Profit for period	-	-	136,511	136,511	1,079	137,590
Other comprehensive income for the period	-	98,471	(663)	97,808	84	97,892
Total comprehensive income for the period	-	98,471	135,848	234,319	1,163	235,482
Transactions with owners in their capacity as owners:						
Dividends paid	-	-	(107,203)	(107,203)	-	(107,203)
Shares issued	587,742	-	-	587,742	-	587,742
Transaction costs on shares issued, net of tax	(5,371)	-	-	(5,371)	-	(5,371)
Transfers to share capital	5,921	(5,921)	-	-	-	-
Share based payments	-	4,826	-	4,826	-	4,826
Options forming part of consideration for business combinations	-	1,142	-	1,142	-	1,142
Reduction of IPN minority interests	-	-	-	-	(11,030)	(11,030)
Dividends paid to minority interests in controlled entities	-	-	-	-	(238)	(238)
Balance at 31 December 2008	2,297,869	89,623	277,953	2,665,445	1,984	2,667,429

The above statement should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half year ended 31 December 2009

Note 1 Summary of significant accounting policies

This general purpose financial report for the interim half year reporting period ended 31 December 2009 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by Sonic Healthcare Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as noted below.

AASB 101 *Presentation of Financial Statements*

With effect from 1 July 2009, the Group has adopted the revised AASB 101 *Presentation of Financial Statements*. This statement requires the presentation of a new Statement of Comprehensive Income separate from changes in equity arising from transactions with shareholders. This amended standard impacts presentation only and has no effect on reported results.

AASB 8 *Operating Segments*

The Group has applied AASB 8 *Operating Segments* from 1 July 2009. AASB 8 requires a ‘management approach’ under which segment information is presented on the same basis as that used for internal reporting purposes. The application of the new standard has resulted in no changes to the reportable segments previously presented. However segment performance is monitored internally based on EBITA. This performance measure differs from previous annual financial statements for the financial year ended 30 June 2009 which was based on EBIT. Segment disclosures in note 2 have been amended accordingly, together with comparative amounts.

AASB 3 *Business Combinations (revised 2008)*

AASB 3 (revised) continues to apply the acquisition method to business combinations, but with some significant changes. All purchase consideration is now recorded at fair value at the acquisition date, with contingent payables classified as debt, if it meets the definition of debt, and subsequently remeasured through the income statement. Under the Group’s previous policy, contingent payments were only recognised when the payments were probable and could be reliably measured and were accounted for as an adjustment to the cost of the acquisition.

Acquisition related costs are now expensed as incurred. Previously, they were recognised as part of the cost of acquisition and therefore included in goodwill.

Non-controlling interests in an acquiree are now recognised at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net assets. This decision is made on an acquisition-by-acquisition basis. Under the previous policy, the non-controlling interest was always recognised at its share of the acquiree’s net assets.

Where a business combination is achieved in stages, the acquisition date fair value of the acquirer’s previously held equity interest is remeasured at fair value as at the acquisition date through profit or loss.

The changes were implemented prospectively from 1 July 2009 and the impact on the results of the Group are disclosed in note 6.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half year ended 31 December 2009

Note 2 Segment information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Chief Executive Officer and the Board of Directors (the chief operating decision makers) in assessing performance and determining the allocation of resources.

The operating segments are identified by management based on the nature of the services provided. Discrete financial information about each of these operating businesses is reported to the Chief Executive Officer and the Board of Directors on at least a monthly basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the services provided, as these are the sources of the Group's major risks and have the most effect on the rates of return. The Group has the following reportable segments.

(i) Pathology
Pathology/clinical laboratory services provided in Australia, New Zealand, the United Kingdom, the United States of America, Germany and Switzerland.

(ii) Radiology
Radiology and diagnostic imaging services provided in Australia and New Zealand.

(iii) Other
Includes the corporate office function and other minor operations, as well as the consolidated results of Independent Practitioner Network Limited (IPN).

Half Year ended 31 December 2009	**Pathology $'000**	**Radiology $'000**	**Other $'000**	**Eliminations $'000**	**Consolidated $'000**
Total segment revenue	1,218,348	180,787	84,824	(2,682)	1,481,277
Interest income					7,744
Total revenue					**1,489,021**
Segment EBITA	222,942	18,088	(13,142)	-	227,888
Amortisation expense					(6,156)
Unallocated net interest expense					(21,401)
Profit before tax					**200,331**
Income tax expense					(44,767)
Profit after income tax expense					**155,564**
Depreciation expense	26,627	15,605	5,031	-	47,263

Half Year ended 31 December 2008	**Pathology $'000**	**Radiology $'000**	**Other $'000**	**Eliminations $'000**	**Consolidated $'000**
Total segment revenue	1,182,772	174,571	79,938	(2,529)	1,434,752
Interest income					4,503
Total revenue					**1,439,255**
Segment EBITA	204,870	19,797	(8,126)	-	216,541
Amortisation expense					(3,846)
Unallocated net interest expense					(44,661)
Profit before tax					**168,034**
Income tax expense					(30,444)
Profit after income tax expense					**137,590**
Depreciation expense	27,422	14,846	3,004	-	45,272

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half year ended 31 December 2009

Note 3 Income Tax

	Six months ended 31.12.09 $'000	Six months ended 31.12.08 $'000
Reconciliation of income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:		
Profit before income tax expense	**200,331**	168,034
Tax at the Australian tax rate of 30% (2008: 30%)	**60,099**	50,410
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Research and development incentives	**(563)**	(1,445)
Investment allowance	**(1,456)**	-
Adjustment to deferred tax balance	**-**	(3,290)
Sundry items	**(13,313)**	(15,231)
Income tax expense	**44,767**	30,444

Note 4 Dividends

	Six months ended 31.12.09 $'000	Six months ended 31.12.08 $'000
Dividends paid during the half year	**135,950**	107,203

Dividends not recognised at the end of the half year

Since the end of the half year the directors have declared an interim dividend of 24 cents (2008: 22 cents) franked to 35% (2008: 60%).

The dividend was declared on 22 February 2010 and is payable on 25 March 2010 with a record date of 10 March 2010.

Based on the number of shares on issue at 22 February 2010 the aggregate amount of the proposed interim dividend to be paid out of retained profits at the end of the half year, but not recognised as a liability is:	**93,223**	84,452
Australian franking credits available for subsequent financial periods based on a tax rate of 30%	**8,677**	14,093

The impact on the franking account of the dividend declared by the directors since balance date, but not recognised as a liability at balance date, will be a reduction in the franking account of $13,983,000 (2008: $21,716,000), based on the number of shares on issue at 22 February 2010. Franking credits arising from Australian tax paid after balance date are expected to maintain the franking account in a small surplus after payment of the 2009 interim dividend.

As a result of the Company's international expansion, it is likely that future dividends will not be fully franked. It is expected that the 2010 final dividend will be franked to ~35%.

Dividend Reinvestment Plan

The company's Dividend Reinvestment Plan remains suspended for this dividend and until further notice.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half year ended 31 December 2009

Note 5 Earnings per share

	Six months ended 31.12.09 Cents	Six months ended 31.12.08 Cents
Basic earnings per share	**40.0**	39.3
Diluted earnings per share	**39.7**	38.8

Weighted average number of ordinary shares used as the denominator

	Six months ended 31.12.09 Shares	Six months ended 31.12.08 Shares
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**387,856,469**	347,162,823
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**390,784,189**	351,816,697

Note 6 Business combinations

(a) Acquisition of subsidiaries / business assets

Acquisitions in the period, which are individually immaterial, included:

- On 31 July 2009, Sonic acquired 100% of Piedmont Medical Laboratory, based in Virginia, USA.
- On 30 November 2009, Sonic acquired 100% of East Side Clinical Laboratory, based in Rhode Island, USA.
- IPN, a member of the Group, acquired a number of medical centre businesses during the period.

It is impracticable to determine the contribution these acquisitions made to the net profit of the Group during the period, and what they are likely to contribute on an annualised basis, as the majority of the acquisitions were merged with other entities in the Group. The initial accounting for these business combinations has only been determined provisionally at the date of this report, as the Group is still in the process of reviewing acquisition balance sheets and identifying assets and liabilities not previously recorded, so as to determine the fair values of the identifiable assets, liabilities and contingent liabilities acquired. Therefore no comparisons of book and fair values are shown.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half year ended 31 December 2009

Note 6 Business combinations (continued)

The aggregate cost of the combinations, the carrying values of the identifiable assets and liabilities, and the goodwill arising on acquisition are detailed below:

	Total
	$'000
Consideration - cash paid	103,539
Less: Cash of entities acquired	(2,004)
	101,535
Deferred consideration	6,431
Total consideration	107,966
Fair value of identifiable net assets of subsidiaries acquired:	
Debtors & other receivables	5,208
Prepayments	273
Inventory	670
Deferred tax assets	500
Property, plant & equipment	5,265
Other non current receivables	8,308
Identifiable intangibles	2,624
Trade payables	(1,230)
Sundry creditors and accruals	(710)
Income tax payable	(64)
Deferred tax liabilities	(133)
Provisions	(405)
	20,306
Minority interest	581
Goodwill	88,241

The goodwill arising from the business combinations is attributable to their reputation in the local market, the benefit of marginal profit and synergies expected to be achieved from integrating the business with existing operations, expected revenue growth, future market development, the assembled workforce and knowledge of local markets. $66,503,000 of the goodwill recognised is expected to be deductible for tax purposes.

The value of the minority interest was determined based on its interest in the fair value of the identifiable net assets as at the acquisition date.

Acquisition related costs of $790,000 are included in other expenses in the Statement of Comprehensive Income.

On 4 January 2010 Sonic acquired 100% of the Lademannbogen Laboratory Group based in Hamburg, Germany for a purchase price of €6.5M at settlement and a performance based earn-out of up to an additional €4.5M. On 12 February 2010 Sonic acquired 100% of the Medhold Group, based in Antwerp, Belgium for an enterprise value of €232M. Due to the recent timing of these acquisitions, information relating to the fair value of assets/liabilities assumed and goodwill acquired is not yet available.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half year ended 31 December 2009

Note 7 Goodwill

	31.12.09 $'000	30.6.09 $'000
Cost	**2,971,888**	3,075,258
Accumulated impairment	**(85,851)**	(85,006)
Net book amount	**2,886,037**	2,990,252
Opening cost	**3,075,258**	2,486,073
Acquisition of subsidiaries and minority interests	**87,942**	398,553
Foreign exchange movements	**(191,312)**	190,632
Closing cost	**2,971,888**	3,075,258
Opening accumulated impairment	**(85,006)**	-
Impairment charge	**-**	(85,006)
Foreign exchange movements	**(845)**	-
Closing accumulated impairment	**(85,851)**	(85,006)

Note 8 Contributed equity

	31.12.09 Shares	30.6.09 Shares	31.12.09 $'000	30.6.09 $'000
Share capital				
Fully paid ordinary shares	**388,429,875**	383,970,875	**2,345,145**	2,299,256

Movements in ordinary share capital:

Date	Details	Number of shares	Issue price	$'000
1/7/09	Opening balance	383,970,875		2,299,256
Various	Shares issued following exercise of employee options	4,459,000	Various	40,445
Various	Transfers from equity remuneration reserve	-		5,465
Various	Costs associated with share issues net of future income tax benefits	-		(21)
31/12/09	Closing balance	**388,429,875**		2,345,145

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half year ended 31 December 2009

Note 9 Unlisted share options

Exercise Price	Expiry Date	Options at 30.6.09	Options Exercised	Options Forfeited	Options Granted	Options at 31.12.09
$6.75	31/08/2009	3,000,000	(3,000,000)	-	-	**-**
$7.50	26/11/2009	140,000	(140,000)	-	-	**-**
$9.51	23/07/2009	10,000	(10,000)	-	-	**-**
$9.56	23/07/2009	64,000	(64,000)	-	-	**-**
$7.50	22/08/2010	1,540,000	(1,200,000)	-	-	**340,000**
$12.69	24/05/2011	40,000	(20,000)	-	-	**20,000**
$7.50	22/08/2011	1,540,000	-	-	-	**1,540,000**
$13.10	15/09/2011	1,075,000	(25,000)	(25,000)	-	**1,025,000**
$13.10	30/09/2011	1,400,000	-	-	-	**1,400,000**
$13.10	30/09/2012	300,000	-	-	-	**300,000**
$13.10	30/09/2013	300,000	-	-	-	**300,000**
$13.00*	30/09/2012	1,000,000	-	-	-	**1,000,000**
$13.00	13/06/2012	200,000	-	-	-	**200,000**
$7.50	24/08/2012	1,540,000	-	-	-	**1,540,000**
$14.16	03/08/2012	1,000,000	-	-	-	**1,000,000**
$13.30	25/05/2013	500,000	-	-	-	**500,000**
$13.65	31/05/2013	110,000	-	-	-	**110,000**
$7.50	22/08/2013	1,540,000	-	-	-	**1,540,000**
$12.98	22/11/2013	2,625,000	-	-	-	**2,625,000**
$11.10	27/01/2014	1,500,000	-	-	-	**1,500,000**
		19,424,000	(4,459,000)	(25,000)	-	**14,940,000**

* or where the closing market share price for Sonic’s shares on 30 May 2012 is less than $15.00, $2.00 less than the closing price on that day.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half year ended 31 December 2009

Note 10 Reserves

	31.12.09 $'000	31.12.08 $'000
Foreign currency translation reserve	**(88,875)**	69,240
Hedging reserve	**(17,117)**	(24,560)
Equity remuneration reserve	**15,121**	24,641
Share option reserve	**16,427**	16,427
Revaluation reserve	**3,875**	3,875
	(70,569)	89,623
Movements		
Foreign currency translation reserve		
Balance 1 July	**(21,169)**	(54,643)
Net exchange movement on translation of foreign subsidiaries	**(67,706)**	123,883
Balance	**(88,875)**	69,240
Hedging reserve		
Balance 1 July	**(20,295)**	852
Revaluation (net of deferred tax)	**(3,120)**	(27,353)
Transfer to net profit (net of deferred tax)	**6,298**	1,941
Balance	**(17,117)**	(24,560)
Equity remuneration reserve		
Balance 1 July	**25,719**	25,736
Share based payments	**3,724**	4,826
Employee share scheme issue	**(8,857)**	-
Transfer to share capital (options exercised)	**(5,465)**	(5,921)
Balance	**15,121**	24,641
Share option reserve		
Balance 1 July	**16,427**	15,285
Options forming part of consideration for business combinations	**-**	1,142
Balance	**16,427**	16,427
Revaluation reserve		
Balance 1 July	**3,875**	3,875
Movement in period	**-**	-
Balance	**3,875**	3,875

Note 11 Net tangible asset backing

	31.12.09	30.6.09
Net tangible asset backing per ordinary security	**($1.48)**	($1.72)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half year ended 31 December 2009

Note 12 Non-cash financing and investing activities

The following non-cash financing and investing activities occurred during the period and are not reflected in the Cash Flow Statement:

- Plant and equipment with an aggregate fair value of $2,253,000 (2008: $728,000) was acquired by means of finance leases.

- Nil (2008: 4,865,000) options over unissued Sonic shares were issued. In 2008, the value ($1,142,000) of 500,000 of these options was included as part of the consideration for the Labor 28 Group. Nil (2008: 4,365,000) options were issued in relation to incentive arrangements along with nil (2008: 39,349) shares.

Note 13 Events occurring after the balance sheet date

Since the end of the financial period no matter or circumstance not otherwise dealt with in these financial statements has significantly or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years other than as follows:

On 4 January 2010 the acquisition of the Lademannbogen Laboratory (Hamburg, Germany) was completed (see Sonic's ASX announcements dated 14 July 2009 and 5 January 2010 for more details).

On 12 January 2010 Sonic issued notes to investors in the United States private placement market, raising US$250M of long term (7 and 10 years) debt funding.

On 12 February 2010 Sonic completed the acquisition of the Medhold Group, based in Antwerp, Belgium for an enterprise value of €232M, representing an EBITDA multiple of ~8.4 times, (see Sonic's ASX announcements dated 5 February and 15 February 2010 for more details).

On 22 February 2010 Sonic's directors declared a dividend of 24 cents per ordinary share 35% franked (at 30%) payable on 25 March 2010 with a record date of 10 March 2010. The interim dividend represents a 9% increase on the comparative period. The company's Dividend Reinvestment Plan ("DRP") remains suspended for this dividend and until further notice. The interim dividend includes no conduit foreign income.

Forward-looking statements

This Half Year Report and ASX Appendix 4D may include forward-looking statements about our financial results, guidance and business prospects that may involve risks and uncertainties, many of which are outside the control of Sonic Healthcare. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date that they are made and which reflect management's current estimates, projections, expectations or beliefs and which involve risks and uncertainties that could cause actual results and outcomes to be materially different. Risks and uncertainties that may affect the future results of the company include, but are not limited to, adverse decisions by Governments and healthcare regulators, changes in the competitive environment and billing policies, lawsuits, loss of contracts and unexpected growth in costs and expenses. The statements being made in this report do not constitute an offer to sell, or solicitation of an offer to buy, any securities of Sonic Healthcare. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Sonic Healthcare). In particular, no representation, warranty or assurance (express or implied) is given in relation to any underlying assumption or that any forward-looking statement will be achieved. Actual future events may vary materially from the forward-looking statements and the assumptions on which the forward-looking statements are based. Given these uncertainties, readers are cautioned to not place undue reliance on such forward-looking statements.

Directors' declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 13 to 26 are in accordance with the *Corporations Act 2001,* including:

  (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half year ended on that date; and

(b) there are reasonable grounds to believe that Sonic Healthcare Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Dr C.S. Goldschmidt
Director

C.D. Wilks
Director

Sydney
22 February 2010

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Independent auditor's review report to the members of Sonic Healthcare Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Sonic Healthcare Limited, which comprises the balance sheet as at 31 December 2009, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Sonic Healthcare Limited Group (the consolidated entity). The consolidated entity comprises both Sonic Healthcare Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Sonic Healthcare Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

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Independent auditor's review report to the members of Sonic Healthcare Limited (continued)

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Matters relating to the electronic presentation of the reviewed financial report

This review report relates to the financial report of the Company for the half year ended 31 December 2009 included on Sonic Healthcare Limited's web site. The company's directors are responsible for the integrity of the Sonic Healthcare Limited web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Sonic Healthcare Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001.*

PricewaterhouseCoopers

PricewaterhouseCoopers

Matthew Lunn
Partner

Sydney
22 February 2010