

Sonic Healthcare Limited
ABN 24 004 196 909

PRELIMINARY FINAL REPORT FOR YEAR ENDED 30 JUNE 2007
Lodged with the ASX under Listing Rule 4.3A

RESULTS FOR ANNOUNCEMENT TO THE MARKET
For the year ended 30 June 2007

Financial Results

Revenue from ordinary activities	Up 13.9% to \$1,886,081,000
Earnings before interest, tax and intangibles amortisation (EBITA)	Up 12.3% to \$343,562,000
Profit from ordinary activities after tax attributable to members	Up 15.1% to \$198,072,000
Net profit for the period attributable to members	Up 15.1% to \$198,072,000

Dividends and Dividend Reinvestment Plan

	<u>Amount per security</u>	<u>Franked amount per security</u>
Final dividend	29¢	29¢
Interim dividend (paid 28 March 2007)	17¢	17¢
Previous corresponding period final dividend	26¢	26¢

The record date for determining entitlements to the final dividend will be 5 September 2007. The final dividend will be paid on 20 September 2007. The Company's Dividend Reinvestment Plan (DRP) remains suspended for this dividend and until further notice.

Earnings per Share

	<u>Year to 30 June 2007</u>	<u>Year to 30 June 2006</u>
Basic earnings per share	66.6¢	59.8¢
Diluted earnings per share	65.5¢	58.6¢

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

SUMMARY AND EXPLANATION OF RESULTS
For the year ended 30 June 2007

1 Summary financial results

	Reference	2007 \$'000	2006 \$'000	Movement %
Total Revenue	(a)	1,886,081	1,656,367	13.9%
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	(b)	405,667	360,307	12.6%
Depreciation and Lease Amortisation	(c)	(62,105)	(54,274)	14.4%
Earnings before Interest, Tax and Intangibles Amortisation (EBITA)	(b)	343,562	306,033	12.3%
Amortisation of Intangibles	(d)	(2,633)	(1,823)	44.4%
Net Interest Expense	(e)	(50,473)	(40,435)	24.8%
Income Tax attributable to Operating Profit	(f)	(80,402)	(77,960)	3.1%
Net Profit attributable to Outside Equity Interests	(g)	(11,982)	(13,786)	(13.1)%
Net Profit attributable to shareholders of Sonic Healthcare Limited		198,072	172,029	15.1%
Cash generated from operations	(h)	267,935	247,208	8.4%
EPS (diluted earnings per share) (cents)	(i)	65.5	58.6	11.8%

(a) Revenue growth

Revenue growth for the year for Sonic's Australian pathology operations was strong at 8.6%. Revenue growth was augmented by a full 12 months contribution from the acquisition of Clinical Pathology Laboratories, Inc. ("CPL", acquired on 1 October 2005), the acquisition of American Esoteric Laboratories, Inc. ("AEL") on 8 January 2007, the acquisition of the Medica Laboratory Group on 30 May 2007, and other small acquisitions. Organic revenue growth in Sonic's US operations was well above market at almost 14%. Partially offsetting this was a reduction of revenue in New Zealand associated with the formation of a joint venture (Aotea Pathology) to service the Wellington region. Sonic's Valley Diagnostic practice ("VDL") was contributed into the JV, which Sonic does not consolidate. Sonic's revenue from the JV is therefore equal to its share of the JV's net profit. Radiology revenue growth has been impacted by the disposal of Sonic's Hong Kong radiology business during the period. Growth was also negatively impacted by foreign exchange rate movements, which reduced reported revenue by ~\$16M compared with the prior year.

	2007	2006	Movement
(b) Margin analysis			
EBITDA as a % of Revenue	21.5%	21.8%	(30) bps*
EBITA as a % of Revenue	18.2%	18.5%	(30) bps

*bps = basis points of margin

Operating margins have been diluted by the acquisitions of businesses during the current and prior year which have lower margins than the average of Sonic's other businesses, and by cost pressures within Sonic's radiology businesses. Radiology margins in the second half of the 2007 year showed improvement over the first half and it is expected that this trend will continue. The margin expansion in Australian, UK and US pathology practices was particularly pleasing.

SUMMARY AND EXPLANATION OF RESULTS For the year ended 30 June 2007

(c) Depreciation and lease amortisation

Depreciation and leased asset amortisation has increased 14.4% against the prior year due mainly to the acquisition of businesses during the current and prior year. As a percentage of total revenue, depreciation and leased asset amortisation is virtually unchanged from the prior year.

(d) Intangibles amortisation

Intangibles amortisation mainly relates to internally developed software.

(e) Interest expense

Net interest expense has increased 24.8% on the prior year due to increased debt as a result of acquisitions in the current and previous year. Appropriate interest rate hedging arrangements are in place.

(f) Tax expense

The effective tax rate (27.7%) has decreased from the prior year (29.6%) as a result of Sonic's offshore expansion. Sonic's subsidiary, Independent Practitioner Network Limited ("IPN") has recognised in the current year a tax asset of \$6,220,000 in relation to tax losses of prior years and booked a corresponding credit to tax expense. However as the losses relate to periods prior to Sonic gaining control of IPN, Sonic is required to treat the credit as a reduction of goodwill on consolidation, rather than as an increase in profit.

(g) Outside equity interests

The outside equity interest figure includes minority interests in CPL (for seven months of the current year and nine months of the prior year), the Schottdorf Group and IPN, in addition to minority interests in other (small) entities in the group.

(h) Cashflow from operations

Cash generated from operations increased 8.4% compared to the prior year as a result of earnings growth, which was partly offset by an increase in trade debtors at year end caused by a delay in certain significant debtor receipts, and a slight deterioration in debtors aging in the US, which is being addressed as part of integrating acquisitions.

(i) Earnings per share

Diluted earnings per share increased 11.8% due to earnings growth and the positive effect of the American Esoteric Laboratories, Inc. ("AEL") acquisition, and other synergistic acquisitions.

(j) Auckland pathology contract

As advised in Sonic's announcement dated 20 March 2007 and in a media release dated 29 March 2007, Sonic was successful in its legal challenge against a decision to award a new community laboratory services contract to a competitor. The competitor has filed an appeal, which is due to be heard in 2008. Sonic was awarded a new contract as sole provider of community pathology services in the Auckland region of New Zealand for a minimum of 18 months from 1 July 2007. Sonic is confident of its ability to work with the Auckland regional District Health Boards to deliver excellent service to the people of Auckland, so as to ensure the new contract is renewed or extended.

2 Final dividend and Dividend Reinvestment Plan (DRP)

The Board has declared a final dividend of 29 cents per share fully franked (at 30%) to be paid on 20 September 2007. The record date will be 5 September 2007.

The total dividend for the year is therefore 46 cents per share, a 12.2% increase on the prior year.

The Board has determined that the Company's Dividend Reinvestment Plan (DRP) remains suspended for this dividend and until further notice.

FULL YEAR REPORT

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This 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 accompanying notes, the 2006 Annual Report, the 2006 Annual Financial Statements, and any public announcements made by Sonic Healthcare Limited in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

CONSOLIDATED INCOME STATEMENT
For the year ended 30 June 2007

	Notes	2007 \$'000	2006 \$'000
Revenue from operations		1,877,682	1,645,184
Other income		8,399	11,183
Total Revenue		1,886,081	1,656,367
Labour and related costs (including \$7,089,000 (2006: \$5,511,000) of equity remuneration expense)		(846,022)	(745,392)
Consumables used		(286,927)	(247,158)
Operating lease rental expense		(84,287)	(80,127)
Depreciation and amortisation of physical assets		(62,105)	(54,274)
Borrowing costs expense		(54,302)	(42,925)
Transportation		(51,420)	(44,300)
Utilities		(42,345)	(37,821)
Repairs and maintenance		(42,113)	(38,343)
Amortisation of intangibles		(2,633)	(1,823)
Other expenses from ordinary activities		(123,471)	(100,429)
Profit from ordinary activities before income tax expense		290,456	263,775
Income tax expense		(80,402)	(77,960)
Profit from ordinary activities after income tax expense		210,054	185,815
Net profit attributable to outside equity interests		(11,982)	(13,786)
Profit attributable to members of Sonic Healthcare Limited		198,072	172,029
Basic earnings per share (cents per share)	5	66.6	59.8
Diluted earnings per share (cents per share)	5	65.5	58.6

The above consolidated income statement should be read in conjunction with the accompanying notes, the 2006 Annual Report, the 2006 Annual Financial Statements, and any public announcements made by Sonic Healthcare Limited in accordance with the continuous disclosure requirements of the Corporations Act 2001.

CONSOLIDATED BALANCE SHEET
As at 30 June 2007

	Notes	2007 \$'000	2006 \$'000
Current assets			
Cash and cash equivalents		35,960	68,156
Other financial assets		4,759	3,357
Receivables		247,601	188,386
Inventories		32,429	26,926
Other		20,650	16,174
Total current assets		341,399	302,999
Non-current assets			
Receivables		4,245	4,452
Other financial assets		6,931	8,068
Property, plant and equipment		371,226	306,800
Intangible assets		2,149,437	1,690,239
Deferred tax assets		24,932	31,611
Other		2,292	1,051
Total non-current assets		2,559,063	2,042,221
Total assets		2,900,462	2,345,220
Current liabilities			
Payables		158,356	122,319
Interest bearing liabilities	1	455,689	28,403
Current tax liabilities		4,888	3,338
Provisions		78,639	70,545
Other financial liabilities		542	-
Other		7,468	6,873
Total current liabilities		705,582	231,478
Non-current liabilities			
Interest bearing liabilities		719,567	782,253
Deferred tax liabilities		11,076	7,052
Provisions		19,413	18,592
Other		6,379	3,500
Total non-current liabilities		756,435	811,397
Total liabilities		1,462,017	1,042,875
Net assets		1,438,445	1,302,345
Equity			
Parent entity interest			
Contributed equity	6	1,242,859	1,181,978
Reserves	8	12,397	9,542
Accumulated profits	9	164,220	93,202
Total parent entity interest		1,419,476	1,284,722
Outside equity interest in controlled entities		18,969	17,623
Total equity		1,438,445	1,302,345

The above consolidated balance sheet should be read in conjunction with the accompanying notes, the 2006 Annual Report, the 2006 Annual Financial Statements, and any public announcements made by Sonic Healthcare Limited in accordance with the continuous disclosure requirements of the Corporations Act 2001.

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 30 June 2007

	2007 \$'000	2006 \$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	1,919,997	1,703,951
Payments to suppliers and employees (inclusive of goods and services tax)	(1,536,825)	(1,341,994)
	383,172	361,957
Interest received	3,829	2,490
Borrowing costs	(53,632)	(45,936)
Income taxes paid	(65,434)	(71,303)
Net cash inflow from operating activities	267,935	247,208
Cash flows from investing activities		
Payment for purchase of controlled entities, net of cash acquired	(486,101)	(419,373)
Payments for property, plant and equipment and intangible assets	(129,206)	(97,968)
Proceeds from sale of non current assets	6,281	9,497
Payments for investments	(2,186)	(1,162)
Payments under a pre-acquisition restructuring plan	(5,386)	-
Repayment of loans by other entities	4,796	2,237
Loans to other entities	(3,620)	(1,328)
Net cash (outflow) from investing activities	(615,422)	(508,097)
Cash flows from financing activities		
Proceeds from issues of shares and other equity securities	4,119	270,514
Proceeds from borrowings	733,808	988,721
Repayment of borrowings	(283,954)	(857,133)
Dividends paid to company shareholders	(127,054)	(107,539)
Dividends paid to minority interests in controlled entities	(2,604)	(1,995)
Net cash inflow from financing activities	324,315	292,568
Net (decrease)/increase in cash and cash equivalents	(23,172)	31,679
Cash and cash equivalents at the beginning of the financial year	68,156	31,914
Effects of exchange rate changes on cash and cash equivalents	(9,024)	4,563
Cash and cash equivalents at the end of the financial year	35,960	68,156

The above consolidated cash flow statement should be read in conjunction with the accompanying notes, the 2006 Annual Report, the 2006 Annual Financial Statements, and any public announcements made by Sonic Healthcare Limited in accordance with the continuous disclosure requirements of the Corporations Act 2001.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2007

	2007	2006
	\$'000	\$'000
Total equity at the beginning of the year	1,302,345	945,265
Adjustment on initial adoption of AASB 132 and AASB 139:		
Retained profits	-	(1,353)
Reserves	-	516
Exchange differences on translation of foreign operations	(14,141)	(3,567)
Cash flow hedges (net of tax)	1,007	1,118
Net income recognised directly in equity	(13,134)	(3,286)
Profit for the year	210,054	185,815
Total recognised income and expense for the year	196,920	182,529
Transactions with equity holders in their capacity as equity holders:		
Contributions of equity, net of transaction costs	3,949	271,455
Dividends paid	(127,054)	(107,539)
Share options	7,564	-
Minority interest on acquisition of subsidiary	-	7,119
Equity issued in subsidiaries to minorities	4,460	-
Value of shares issued as part consideration for the acquisition of CPL minority interests	56,360	-
Acquisition of minority interests in controlled entities	(13,407)	-
Fair value adjustments to minority interests at acquisition	2,002	-
Distribution to minority interests in subsidiaries	(1,783)	(1,995)
Equity remuneration expense	7,089	5,511
Total equity at the end of year	1,438,445	1,302,345
Total recognised income and expense for the year is attributable to:		
Members of Sonic Healthcare Limited	186,951	168,655
Minority interest	9,969	13,874
	196,920	182,529

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes, the 2006 Annual Report, the 2006 Annual Financial Statements, and any public announcements made by Sonic Healthcare Limited in accordance with the continuous disclosure requirements of the Corporations Act 2001.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2007

Note 1 Summary of significant accounting policies

This financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

This 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 2006, the 2006 Annual Financial Statements and any public announcements made by Sonic Healthcare Limited during the reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted in the preparation of the financial report are consistent with those of the previous financial year and have been consistently applied to all the periods presented, unless otherwise stated.

Working capital deficiency

Sonic is required to show the full amount drawn (\$430M) as at 30 June 2007 of its \$500M acquisition bridge debt facility as a current liability, as it expires in November 2007. As a result the Consolidated Balance Sheet shows a deficiency of working capital of \$364M. Since balance date Sonic has arranged a further tranche in the bridge debt facility of \$400M, expiring in March 2008, to finance the Bioscientia acquisition. Sonic intends to repay the bridge facilities using a combination of equity raisings and senior debt, and foresees no difficulties in doing so. The financial report has therefore been prepared on a "going concern" basis.

Note 2 Segment information

Primary Reporting – Business Segments

Year ended 30 June 2007	Pathology \$'000	Radiology \$'000	Other \$'000	Eliminations \$'000	Consolidated \$'000
Total segment revenue	1,461,437	326,682	98,125	(3,992)	1,882,252
Interest income					3,829
Total revenue					1,886,081
Segment result	302,141	45,177	(6,389)		340,929
Unallocated net interest expense					(50,473)
Profit before tax					290,456
Income tax expense					(80,402)
Profit after income tax expense					210,054

Primary Reporting – Business Segments

Year ended 30 June 2006	Pathology \$'000	Radiology \$'000	Other \$'000	Eliminations \$'000	Consolidated \$'000
Total segment revenue	1,243,555	314,242	99,698	(3,618)	1,653,877
Interest income					2,490
Total revenue					1,656,367
Segment result	259,062	52,047	(6,899)		304,210
Unallocated net interest expense					(40,435)
Profit before tax					263,775
Income tax expense					(77,960)
Profit after income tax expense					185,815

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2007

Note 3 Business combinations

On 8 January 2007 Sonic acquired American Esoteric Laboratories, Inc. ("AEL"), an entity incorporated in the United States of America.

On 30 May 2007 Sonic acquired the Medica Laboratory Group, based in Switzerland.

Neither of the above entities made a material contribution to the Group's net profit for the year.

Note 4 Dividends

	2007	2006
	\$'000	\$'000
Final dividend for the year ended 30 June 2006 of 26 cents (2005: 23 cents) per fully paid share paid on 19 September 2006 (2005: 19 September 2005), fully franked based on tax paid at 30%	76,784	63,367
Interim dividend for the year ended 30 June 2007 of 17 cents (2006: 15 cents) per fully paid share paid on 28 March 2007 (2006: 20 March 2006), fully franked based on tax paid at 30%	50,270	44,172
Total dividends paid on ordinary shares during the year	127,054	107,539

The Company's Dividend Reinvestment Plan (DRP) remained suspended for these dividends.

Dividends not recognised at the end of the year

On 22 August 2007 the directors declared a fully franked final dividend of 29 cents per share (2006: 26 cents), payable on 20 September 2007 with a record date of 5 September 2007. Based on the number of shares on issue at 23 August 2007, the aggregate amount of the proposed final dividend to be paid out of retained profits at the end of the year, but not recognised as a liability is:

87,052	76,784
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Australian franking credits available at the year end for subsequent financial years based on a tax rate of 30%

73,285	83,137
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The impact on the franking account of the dividend declared by the directors since year end, but not recognised as a liability at year end, will be a reduction in the franking account of \$37,308,000 (2006: \$32,907,000), based on the number of shares on issue at 23 August 2007.

The balance of the franking accounts as at 30 June 2007 would enable Sonic to pay fully franked dividends of \$170,997,000 in future periods (including the final dividend noted above).

Dividend Reinvestment Plan (DRP)

The company's DRP remains suspended for the 2007 final dividend and until further notice.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2007

Note 5	Earnings per share	2007 Cents	2006 Cents
	Basic earnings per share	66.6	59.8
	Diluted earnings per share	65.5	58.6

Weighted average number of ordinary shares used as the denominator	2007 Shares	2006 Shares
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	<u>297,247,195</u>	287,910,303

Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	<u>302,285,149</u>	293,420,332
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Note 6	Contributed equity	2007 Shares	2006 Shares	2007 \$'000	2006 \$'000
	Share capital				
	Fully paid ordinary shares	<u>300,150,202</u>	295,203,095	<u>1,242,859</u>	1,181,978

Movements in ordinary share capital:

Date	Details	Number of shares	Issue price	\$'000
1/7/06	Opening balance	295,203,095		1,181,978
22/08/06	Shares issued to executives under remuneration arrangements	30,750	-	-
29/01/07	Shares issued as part consideration for the acquisition of the minority interests in Clinical Pathology Laboratories, Inc. ("CPL")	4,171,732	12.52	52,230
Various	Valuation adjustment to issue price			4,130
Various	Shares issued following exercise of employee options	744,625	Various	3,949
Various	Transfers from equity remuneration reserve			<u>572</u>
30/06/07	Closing Balance	<u>300,150,202</u>		<u>1,242,859</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2007

Note 7 Unlisted share options

Exercise Price	Expiry Date	Options at 30.6.06	Options issued	Options Exercised	Options Forfeited	Options at 30.6.07
\$4.66	16/05/2007	575,625	-	(539,125)	(36,500)	-
\$6.01	07/02/2008	60,000	-	(10,000)	-	50,000
\$6.30	15/02/2008	435,000	-	(120,500)	(2,500)	312,000
\$7.57	19/12/2008	165,000	-	(50,000)	-	115,000
\$6.75	31/08/2009	3,000,000	-	-	-	3,000,000
\$7.50	26/11/2009	1,540,000	-	-	-	1,540,000
\$9.51	23/07/2009	10,000	-	-	-	10,000
\$9.56	23/07/2009	370,000	-	(25,000)	-	345,000
\$7.50	22/08/2010	1,540,000	-	-	-	1,540,000
\$12.69	24/05/2011	-	40,000	-	-	40,000
\$7.50	22/08/2011	-	1,540,000	-	-	1,540,000
\$13.10	15/09/2011	-	1,200,000	-	-	1,200,000
\$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
		7,695,625	4,780,000	(744,625)	(39,000)	11,692,000

Note 8 Reserves

	2007 \$'000	2006 \$'000
Foreign currency translation reserve	(19,340)	(7,212)
Hedge accounting reserve	2,641	1,634
Equity remuneration reserve	17,122	10,710
Share option reserve	11,974	4,410
	12,397	9,542

Note 9 Retained Earnings

	2007 \$'000	2006 \$'000
Retained earnings at the beginning of the financial year	93,202	30,065
Adjustment on initial adoption of AASB132 and AASB139 net of tax	-	(1,353)
Net profit attributable to members of Sonic Healthcare Limited	198,072	172,029
Dividends provided for or paid	(127,054)	(107,539)
Retained earnings at the end of the financial year	164,220	93,202

Note 10 Net tangible asset backing

	2007	2006
Net tangible asset backing per ordinary security	(\$2.37)	(\$1.31)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 June 2007

Note 11 Ratios

	<u>2007</u>	<u>2006</u>
Profit before tax/revenue		
Consolidated profit from ordinary activities before tax as a percentage of revenue	<u>15.4%</u>	<u>15.9%</u>
Profit after tax/equity interests		
Consolidated net profit from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the year	<u>14.0%</u>	<u>13.4%</u>

Note 12 Non cash financing and investing activities

The following non-cash financing and investing activities occurred during the year and are not reflected in the Statement of Cash Flows:

- Plant and equipment with an aggregate fair value of \$278,000 (2006: \$2,447,000) was acquired by means of finance leases and hire purchase agreements.
- 4,171,732 Sonic fully paid up ordinary shares were issued in satisfaction of ~US\$41.1M of the purchase price for the minority interests in Sonic's US subsidiary, CPL.
- 4,780,000 (2006: 1,540,000) options over unissued Sonic shares were issued. The value (\$4,791,000) of 2,000,000 (2006: Nil) of these options was capitalised into the cost of investment in CPL. 40,000 (2006: Nil) were Queensland X-Ray options, and the balance of 2,740,000 (2006: 1,540,000) were issued in relation to incentive arrangements, along with 30,750 (2006: 30,750) fully paid up ordinary shares. The value (\$2,773,000) of 1,000,000 options issued on 13 August 2007 has been included as part of the consideration paid for the acquisition of the Medica Laboratory Group.
- 6,939,630 IPN fully paid ordinary shares were issued in satisfaction of \$1M of the purchase price for medical centres.
- 4,485,629 (2006: Nil) options over unissued IPN shares were issued. 1,000,000 of these were issued as part of a medical centre acquisition. The balance were in relation to incentive arrangements.

Note 13 Events occurring after reporting date

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

- On 31 July 2007 Sonic completed the acquisition of 100% of Sunrise Medical Laboratories, Inc. for a purchase price of ~US\$148M (refer to Sonic's announcements to the market dated 6 July 2007 and 1 August 2007).
- As described in Sonic's announcement to the market dated 2 August 2007, Sonic has reached agreement to acquire all of the outstanding equity held by minority interests in its German laboratory business for ~€30M. On 15 August 2007, Sonic moved to 67.9% ownership, and is expected to reach 100% ownership once certain conditions are satisfied.
- As described in Sonic's announcement to the market dated 13 August 2007, Sonic has signed an agreement to acquire the Bioscientia Healthcare Group for an enterprise value of ~€190M, including 116,674 Sonic ordinary shares.
- On 13 August 2007, Sonic issued 1,500,000 options over unissued ordinary shares with an exercise price of \$13.00, and announced its intention to issue a further 1,000,000 options with an exercise price of \$14.16 conditional on settlement of the Bioscientia acquisition.
- On 22 August 2007 Sonic's Directors declared a final dividend of 29 cents per ordinary share payable on 20 September 2007. Sonic's DRP remains suspended for this dividend and until further notice.

COMPLIANCE STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.

Identify other standards used

NIL

This report, and the accounts upon which the report is based use the same accounting policies.

This report does give a true and fair view of the matters disclosed.

This report is based on accounts which are in the process of being audited.

The entity has a formally constituted audit committee.

Signed: 
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(Company Secretary)

Date: 23 August 2007

Print name: PAUL ALEXANDER