



**SONIC
HEALTHCARE
LIMITED**

6 July 2007

**SONIC HEALTHCARE TO ACQUIRE SUNRISE MEDICAL LABORATORIES, INC.
OF NEW YORK**

Sonic Healthcare Limited ("Sonic") (SHL.AX) is pleased to announce that it has signed an agreement to acquire 100% of Sunrise Medical Laboratories, Inc. ("Sunrise").

Sunrise has annual revenues in the order of US\$75 Million (~A\$90 Million) and employs over 360 staff.

Sunrise is a full service clinical reference laboratory servicing Long Island and the New York metropolitan area, with an estimated 6% share of the local market. Established in 1972, the company is headquartered and operates its primary laboratory in Hauppauge, New York (~50kms east of New York City on Long Island) and is led by founders Larry Siedlick (CEO) and Pat Lanza (President).

The purchase price will be ~US\$148 Million, plus up to US\$20 Million under an earn-out arrangement which is based on above market revenue growth and maintenance of EBITDA margin in the year following settlement. The acquisition has been structured so as to provide a tax deduction for goodwill amortisation over 15 years, with a net present value of ~US\$30 Million. Adjusted for the tax benefit, the base purchase price reflects an effective EBITDA multiple of approximately 9.5 times. Settlement is expected in early August 2007 and is conditional upon US anti-trust approval.

The acquisition will be debt funded in US dollars and will be immediately earnings per share accretive.

Sonic Healthcare's CEO and Managing Director, Dr Colin Goldschmidt said: "The acquisition of Sunrise represents an important strategic step for Sonic Healthcare in its expanding US laboratory operations. Sunrise is a high-quality laboratory, with outstanding management and with a culture that is very similar to that of Sonic's. The proven track record of Sunrise in the populous New York area gives Sonic an attractive entry into an important US market segment. The company has a history of strong organic growth based on personalised and excellent customer service. I wish to warmly welcome all Sunrise staff to the Sonic Healthcare group."

Larry Siedlick, Pat Lanza and their management team will continue to operate the business post acquisition and Sunrise will become a new member of Sonic's US "federation" of laboratories, serving as the hub for the north east. Significant potential exists for synergy capture in areas such as purchasing, esoteric testing and benchmarking between Sonic's individual US labs and between the US and Sonic's international operations.

For further information regarding this announcement, please contact:

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