



## **2016 ANNUAL GENERAL MEETING – CHAIRMAN’S ADDRESS**

Ladies and gentlemen,

It gives me great pleasure to Chair our Company’s Annual General Meeting for the first time, following the retirement of Peter Campbell from the Board at this time last year. Peter played an important role in the development of Sonic Healthcare over his 22 years on the Board, the last 5 of which as Chairman. I thank Peter for facilitating a smooth transition of the Chairman’s role, and I thank my fellow Board members for their faith in appointing me, and for their support over the last 12 months.

The 2016 financial year was an excellent one for Sonic and our shareholders. Net profit grew 30% to \$451 million, and we achieved the milestone of \$5 billion in annual revenue, up 20% on the previous year. We continued to pursue our progressive dividend policy and rewarded shareholders with a 5.7% increase in total dividends per share for the year.

Strong organic growth was augmented by value enhancing acquisitions in the year, including the acquisition of the Medisupport group in Switzerland, which took us to the number 1 position in that market. Our already strong market positions in other countries were further strengthened during the year, particularly in Belgium and Australia. The 2017 financial year has started well, both in terms of the performance of our business, but also with the recently announced highly synergistic acquisitions of the Staber Laboratory Group in Germany, and the majority stake in GLP Systems, an exciting technology company.

Sonic’s infrastructure and balance sheet remain superbly positioned for ongoing growth.

We recognise that as we strive to improve our business and healthcare outcomes, and with a view of creating and protecting value for our shareholders, we must deliver our strategy in a responsible, ethical and sustainable way. From our earliest inception, good citizenship has been an integral part of Sonic’s corporate culture. ‘Company Conscience’ and ‘Respect for our people’ are two of the five pillars of our Foundation Principles and the commitment to these values extends from the Board through our more than 31,000 staff. So, I am proud to note that Sonic has published for the first time this year a Corporate Responsibility Report, which outlines our performance and conduct across different facets of our operations such as education, safety, employment standards, environmental commitments and philanthropic involvement. This Report is available on Sonic’s website, and I commend it to you.

I am also pleased that once again Sonic has been recognised externally for its standing in relation to social responsibility by the Company’s inclusion in the FTSE4Good Index Series. Sonic has been included in this index continuously since 2008, demonstrating each year that we have met stringent environmental, social and governance criteria. We continue to invest resources to further develop our policies, practices and reporting in these areas.

As a global healthcare provider with deep expertise in laboratory medicine and diagnostic imaging, the Board recognises that Sonic is uniquely positioned to make a significant difference to the healthcare of disadvantaged communities. Our major initiatives in this area fall under the banner of our Catalyst program, where we use our expertise and resources to directly address the dire medical needs in some of the poorest and most war-torn regions in the world, particularly in Africa. We are immensely proud of the efforts of the Sonic staff who work in this program, and of all those who support it more broadly, in order to improve the lives of others.

I would like to acknowledge our management teams, physicians and staff, whose dedication and expertise enables our strategies to be successfully implemented to deliver the outcomes we desire, including making Sonic a company with which we can all be immensely proud to be associated.

Finally, I thank you, Sonic’s shareholders, for your ongoing support of the Board and the company.

Mark Compton AM  
17 November 2016