



MEDIA RELEASE – 15 FEBRUARY, 2017

FINANCIAL RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2016

1. Summary

| A\$M | Constant Currency* | Constant Currency increase on previous year | Statutory Half Year ended 31 Dec 2016 | Statutory increase on previous year |
|--|-------------------------------|--|--|--|
| Revenue | 2,575 | 5% | 2,476 | 1% |
| EBITDA (before non-recurring costs) | 431 | 6% | 414 | 1% |
| Net Profit (after non-recurring costs) | 206 | 10% | 197 | 5% |
| Earnings per shares (cents) | 49.2 | 7% | 47.1 | 3% |

- On track after seven months of trading to achieve full year guidance provided in August 2016.
- H1 FY 2017 revenue growth 5% and underlying EBITDA growth 6% (on a constant currency basis).
- Margin expansion in laboratory division of 30 basis points, driven by international operations.
- Particularly strong operating performances in Germany and Switzerland.
- Australian operations adversely impacted by Government policies.
- Strong cash generation: 102% conversion of EBITDA to gross (pre-interest and pre-tax) operating cash flow.
- Accretive acquisitions in Germany and the USA and hospital partnerships in the USA completed and/or announced in H2 FY 2017.
- Sonic's global footprint delivering financial strength and risk mitigation.
- FY 2017 Interim Dividend \$0.31 (up 3.3%), 20% franked, payable on 11 April 2017, Dividend Reinvestment Plan to operate (without underwriting).

2. Commentary on Results

Sonic Healthcare today reported a statutory net profit for the half year to 31 December 2016 of A\$197 million, on revenues of A\$2,476 million.

Sonic's CEO, Dr Colin Goldschmidt, said: "Sonic Healthcare has performed strongly in the half-year, with our German and Swiss operations showing particularly strong organic revenue growth and cost management. Our Australian businesses have continued to suffer from current Government policies, despite providing critical health care infrastructure for the country and essential, best-in-class services for clinicians and patients. Our other international operations are generally performing to expectation, and all our businesses enjoy strong market positions, stable operations and experienced and passionate local management."

Dr Goldschmidt added: "Sonic has recently completed or announced highly synergistic laboratory acquisitions in both Germany and the USA, which will significantly enhance group earnings in 2018 and future years. These transactions are integral to our ongoing, successful core strategy to lead the consolidation of targeted fragmented laboratory markets. I am also particularly pleased that our strategy to partner with hospital systems in the USA for laboratory services is gaining momentum, with two joint ventures recently announced and a number of others in prospect. More than half of the total US\$50 billion plus laboratory market in the USA is comprised of hospital system laboratories, representing a significant growth opportunity for Sonic. With our global hospital laboratory experience and our Medical Leadership culture, we are well placed to offer hospital systems focussed laboratory management expertise, as well as efficiencies and cost savings.

Sonic's strong Medical Leadership culture continues to attract like-minded, high quality healthcare businesses such as the acquisitions and partnerships recently announced.

Our culture also continues to bind our 32,000 staff, all of whom I thank sincerely for their ongoing commitment to patient care and dedication to our company's goals."

Dr Colin Goldschmidt

Chief Executive Officer / Managing Director

Sonic Healthcare Limited

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For further information regarding the result, please refer to Dr Goldschmidt's PowerPoint Presentation and to Sonic's Appendix 4D Half Year Report, both of which will be posted on the Sonic Healthcare website by 10.00am, 15 February 2017 (www.sonichealthcare.com).

Forward-looking statements

This media release 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 media release 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.