

MEDIA RELEASE – 15 FEBRUARY, 2018

FINANCIAL RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2017

1. Summary

A\$M	Half Year ended 31 Dec 2017	Increase on previous year
Revenue	2,673	8%
EBITDA	445	9%
Net Profit	229	16%
Net Profit excluding US net tax benefit	209	6%
Earnings per share (cents)	54.1	15%
Earnings per share excluding US net tax benefit (cents)	49.4	5%

- On track after seven months of trading to achieve full year earnings guidance provided in August 2017.
- H1 FY 2018 revenue growth 8% and EBITDA growth 9%, despite fewer working days than in the prior period.
- Margin expansion of 20 basis points.
- Solid organic revenue growth of ~5% on a normalised basis.
- One-off net tax benefit of A\$20 million in the US from the restatement of net deferred tax liabilities to the new 21% tax rate.
- Accretive acquisitions in Germany and the US and hospital partnerships in the US contributing to growth, with an active pipeline of further opportunities.
- Progressive dividend policy ongoing (increase of 1 cent (3.2%) to 32 cents for the FY 2018 Interim Dividend).
- Sonic's strong Medical Leadership culture, global leadership team, reputation, modern infrastructure and industry dynamics provide a solid base for future growth.

2. Commentary on Results

Sonic Healthcare today reported a statutory net profit for the half year to 31 December 2017 of A\$229 million, on revenues of A\$2.67 billion.

Sonic's CEO, Dr Colin Goldschmidt, said: "Sonic Healthcare continues to perform strongly, with the half year results particularly pleasing in light of fewer working days in the period versus the comparative period and the impact of two hurricanes on our US business. Achieving a 20 basis point margin improvement in these circumstances is an outstanding result. Ongoing organic revenue growth for the group of approximately 5% on a like-for-like basis is also very positive.

Sonic's Australian laboratory business, the company's largest, continues to report growing earnings and margins, having rebounded in 2017 after suffering from abnormal cost growth due to industry issues for several years. Our strategies to manage these costs remain in place and we are confident of ongoing earnings growth.

During the half year, Sonic Healthcare was honoured to have been selected as the laboratory partner for the Australian Government's National Bowel Cancer Screening Program. Our service was successfully launched on 2 January 2018, and volumes are currently ramping up. We expect this contract to contribute around A\$30 million of revenue per year.

Sonic's European operations experienced strong organic revenue growth, with UK growth enhanced by winning the exclusive contract, from October 2017, to provide laboratory services to Barnet Hospital and Chase Farm Hospital in London. This contract will add over £12 million in annual revenue.

German revenue growth of 20% included the synergistic acquisitions of Laboratory Bremen and the Staber laboratory group. Integration of these highly respected laboratories into Sonic Germany is proceeding to plan, including the first physical laboratory merger, in Hamburg, being successfully completed in the half year. Planning for the next two laboratory mergers is well progressed.

Sonic's three laboratory joint ventures in the USA, with Western Connecticut Health Network, Baptist Memorial Health Care and NYU Langone Health, are operating successfully, with the NYU arrangement having commenced in the half year. The joint ventures are still in their early phases, and activity continues to increase.

Sonic's Australian diagnostic imaging business achieved strong organic revenue and earnings growth, benefiting from investments made in equipment and greenfield sites over recent years, as well as ongoing efficiency strategies.

Our Medical Leadership culture continues to drive the exceptional quality and service standards for which Sonic is renowned. It also continues to attract like-minded laboratories and hospital groups to Sonic, resulting in an active pipeline of additional acquisition, joint venture and contract opportunities.

I wish to thank Sonic's 34,000 people, who work tirelessly to ensure that we deliver the best possible service to clinicians and the best care to our patients."

Dr Colin Goldschmidt

Chief Executive Officer / Managing Director

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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 2018 (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.