



MEDIA RELEASE – 26 FEBRUARY, 2008

**FINANCIAL RESULTS
FOR THE HALF YEAR ENDED
31 DECEMBER 2007**

1. Financial Result Highlights

		Increase on previous year
Revenue	\$1,127M	28%
EBITDA	\$221M	16%
Net Profit	\$113M	21%
Cashflow from operations	\$174M	26%
EPS (diluted)	34.7¢	11%

2. Dividends

- Interim Dividend 20¢ per share fully franked – up 18%.
- Record date – 11 March 2008.
- Payment date – 26 March 2008.

3. 2008 Guidance

- Unchanged since 23 August 2007.
- Revenue growth of 20-25%.
- Earnings per share growth of at least 12%.

4. Commentary on Results

Sonic Healthcare today reported a record interim net profit of A\$113 million for the half year to 31 December 2007, an increase of 21% over the comparative period. The result was achieved on revenues of A\$1,127 million, 28% higher than the corresponding period in the prior year.

Sonic's CEO and Managing Director, Dr Colin Goldschmidt, said: "Sonic's core operations continue to perform strongly and we are on track to deliver on our previously released guidance for the full year. Sonic is in the midst of robust and transformational growth into a sizeable and stable international medical diagnostics company. In the past two to three years, an additional billion Australian dollars have been added to our annualised revenues, effectively doubling the size of the company. This growth has occurred predominantly in Europe and the United States, where Sonic is now the number one and number three player respectively. Bolstered by our leading market position in Australia, our accelerated growth in these two large markets is set to continue, with negotiations in progress with a number of acquisition and outsourcing prospects. Additional acquisitions in these markets are likely to be highly accretive, given the opportunity for synergies with our existing operations. Synergy identification and extraction have commenced in both our US and European (particularly German) operations, and are a major focus for management at the present time."

Dr Goldschmidt added: "Sonic's reputation, unique federation structure and medical leadership model have proven invaluable in our offshore expansion, with high quality laboratories choosing to join with Sonic rather than be acquired by financial or highly corporatised investors. Our excellent standing in the international diagnostics community and in the medical communities in which we operate around the world, are integral to our success and a tribute to the high quality of our pathologists, radiologists, managers and staff, all of whom I wish to thank sincerely for their contributions to date."

Sonic's Board has declared a fully-franked interim dividend of 20 cents per share, an 18% increase over the previous year's interim dividend.

Key milestones of the half year include:

- The acquisition of Sunrise Medical Laboratories (Long Island, New York) in July 2007, a high quality, high growth practice.
- The acquisition of the Bioscientia Healthcare Group, one of Europe's largest and most prestigious laboratories, in September 2007, Sonic's second major transaction in the German laboratory market.
- The acquisition of the outstanding minority interests in the Schottdorf Group in Germany, to facilitate synergies with Bioscientia.
- The synergistic acquisitions of American Clinical Services and Woodbury Clinical Laboratory, strengthening Sonic's position in the New York and Tennessee markets respectively.
- Successful completion in August 2007 of an institutional private placement, with the raising of A\$400M of equity to fund acquisitions.
- The raising of A\$64M of new capital from existing shareholders pursuant to a Shareholder Purchase Plan in November 2007, at the same price per share (A\$14.20) as the institutional placement.
- Successful "upsizing" of Sonic's senior syndicated bank debt facility from A\$1 Billion to A\$1.75 Billion with all existing syndicate members increasing their commitments and one additional bank joining the syndicate.

- Commencement of operations at Sonic's new headquarters and Douglass Hanly Moir Pathology's new central laboratory in Macquarie Park, Sydney. This state-of-the-art facility has significant capacity and will increase efficiencies in Sonic's Australian pathology operations in the medium term.
- Sonic now has prospective annual revenue in Europe of >A\$500M, and is Europe's largest laboratory company.
- Sonic now has prospective annual revenue in the US of >A\$500M, and is the third largest independent laboratory company in the US.

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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, 26 February 2008 (www.sonichealthcare.com).