



**SONIC  
HEALTHCARE  
LIMITED**

13 May 2009

## **AUSTRALIAN FEDERAL BUDGET 2009-10**

Sonic Healthcare Limited (SHL.AX) wishes to outline its understanding of the effect of the announcements made by the Government in the Federal Budget 2009-10 in relation to funding for Australian pathology and diagnostic imaging services.

The Budget initiatives announced last night for pathology services indicate a decrease in Government funding for pathology of 4-5%, but combined with an expected ongoing growth in demand for pathology services of 7-8% represents an overall increase in Medicare funding of ~3% per annum.

The radiology initiatives announced in the Budget provide for increases in funding for diagnostic imaging services of ~5% per annum over the next four years, and together with the expected ongoing growth in demand for diagnostic imaging services of 6-7% per annum represents an overall increase in annual Medicare funding of over 10%.

Based on Sonic's current mix of pathology and radiology revenues, the changes represent an expected net growth in Medicare funding of 4-5% per annum. Sonic is reviewing its billing policies in light of the Budget announcements.

The relevant Medicare fee changes will come into effect from 1 November 2009, providing industry with time to adjust to the new fee schedules. The previous funding caps have now been lifted and the Government has indicated that there will be no further changes to the fee schedules for at least two years.

The other initiatives announced in the Budget are not expected to have any significant impact on Sonic.

For further information regarding this announcement please contact:

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