



SONIC
HEALTHCARE
LIMITED

20 October 2004

Company Announcements Office
Australian Stock Exchange Ltd
4th Floor, 20 Bridge St
Sydney NSW 2000

Dear Sirs,

Agreement to Purchase Endeavour HealthCare Pathology Assets

The Board of Sonic Healthcare Limited ("Sonic") is pleased to announce that it has reached agreement (subject to final documentation) to purchase the pathology operations, known as Accord Pathology, of Endeavour HealthCare Ltd.

As part of the same transaction, Independent Practitioner Network Ltd ("IPN") has reached agreement to acquire Endeavour HealthCare's medical centre assets. The transaction is conditional on completion of final documentation and the satisfaction of certain conditions precedent, including Endeavour HealthCare Ltd obtaining shareholder approval, ACCC confirming it has no objection to the transaction and the parties obtaining consent to the assignment of material contracts. The parties anticipate that the transaction will be completed in late November 2004.

Accord Pathology operates in Sydney, NSW and Perth, WA, with a total annual revenue of approximately \$20 Million. Post acquisition the Accord operations will be completely merged into the operations of Sonic's existing businesses Douglass Hanly Moir Pathology (in NSW) and Clinipath (in WA).

The purchase price for Accord Pathology is approximately \$28 Million, which will be debt funded. Sonic has also agreed to provide IPN an \$8 million, 2 year subordinated loan on commercial terms to fund its acquisition of the medical centre assets. The loan agreement is subject to completion of the Endeavour transaction.

Yours faithfully

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