



**SONIC
HEALTHCARE
LIMITED**

SONIC TO ACQUIRE OMNILABS PATHOLOGY (UK)

Sonic Healthcare Limited (Sonic) has signed a Heads of Agreement with MIA Group Limited (MIA) to acquire MIA's UK Pathology operation, Omnilabs.

The agreement is conditional upon due diligence and final documentation which are expected to be completed by 30 June 2003.

Omnilabs' revenue is approximately £3.8 Million per annum, excluding its Histology/Cytology practice which is not included in the purchase.

The base purchase price for the existing business will be determined during due diligence, but is expected to be in the range of £6-7 Million. In addition, Sonic will pay MIA a percentage of future benefits realised from existing tax losses, plus "earnout" amounts over a two year period relating to identified significant growth opportunities. The acquisition will be funded by debt.

The Heads of Agreement outlines the establishment of a strategic alliance between Sonic and MIA for joint development of public (NHS) and private sector opportunities in pathology and radiology respectively.

Sonic's Managing Director, Dr Colin Goldschmidt, said "The acquisition of Omnilabs is an exciting second step for Sonic in the UK market, with the potential to yield significant merger benefits in the form of marginal profit. This strategy has been successfully executed in Sonic's Australian operations in the past. In addition, the prospect of an alliance with MIA in order to deliver a comprehensive solution to NHS and private sector customers is also seen as a major advantage resulting from the transaction".

Sonic has recently signed a lease for space in Whitfield Street in London's Harley Street medical district to which The Doctors Laboratory (TDL, Sonic's existing UK pathology operation) will be relocated in coming months.

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For further information regarding this release, please contact:

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