



MEDIA RELEASE – 22 AUGUST 2006

**FINANCIAL RESULTS
FOR THE YEAR ENDED
30 JUNE 2006**

1. Financial Result Highlights

		Increase on previous year
Revenue	\$1,656.4M	20%
EBITA	\$306.0M	21%
Net Profit	\$172.0M	27%
Cashflow from operations	\$247.2M	15%
EPS (diluted)	58.6¢	20%

2. Dividends

- Final Dividend 26¢, fully franked – total dividends for the year increased 14%.
- Record date – 5 September 2006.
- Payment date – 19 September 2006.

3. 2007 Guidance

- Revenue Growth including full year of CPL
 - Organic growth ~ 5%
 - Revenue growth including CPL ~ 9%
- Earnings Growth
 - EPS growth ~ 10%
- Revenue and earnings growth exclude acquisitions and possible DML-related impacts.

4. **Commentary on Results**

Sonic Healthcare today reported a record net profit of \$172 million for the year to 30 June 2006, an increase of 27% over the comparative period. The result was achieved on revenues of \$1,656 million, 20% higher than the prior year.

Sonic's CEO and Managing Director, Dr Colin Goldschmidt, said: "I am pleased to report that once again Sonic Healthcare has delivered record earnings, in line with the guidance we gave in August 2005. This is Sonic's eleventh consecutive year of double-digit earnings per share growth and I am confident that the quality of our people and infrastructure in both Australian and offshore markets will continue to drive strong growth into the future."

Sonic's Board has declared a fully-franked final dividend of 26 cents per share, making total dividends of 41 cents per share for the full year, a 14% increase over the previous year.

Dr Goldschmidt highlighted a number of specific achievements during the year:

- Strong results from Sonic's large Australian practices (Douglass Hanly Moir Pathology, Sullivan Nicolaides Pathology, Melbourne Pathology and Queensland X-Ray) and Sonic's offshore operations.
- Acquisition of an 82% interest in Clinical Pathology Laboratories (CPL), the largest privately owned pathology business in the United States and its integration into the Sonic group.
- Restructuring and expansion of Sonic's senior debt facility. The new \$1 billion facility is more flexible, has a lower cost of funds and provides Sonic with significant "headroom" for expansion.

Dr Goldschmidt said that Sonic was poised for significant expansion in both North America and Europe and is currently progressing negotiations with a number of acquisition and outsourcing targets in these markets. The solid base, synergies and local market knowledge provided to Sonic by CPL, Schottdorf and TDL provided the ideal platform for further expansion in international markets."

He said: "Although we have experienced some pressure on costs and margins in our radiology division, we are confident that the innovative incentive structures we are currently putting in place, together with our networked digital imaging solutions, will ensure an improvement of performance in this division of Sonic."

Dr Goldschmidt added: "The key to Sonic's success is our unique model of personalised and medically-focused pathology and radiology service provision, within a federation structure. This strategy continues to attract potential new partners to Sonic and also encourages outstanding performance from Sonic's people in all entities. With this culture and framework, the opportunities for growth, particularly in the large markets of Europe and North America, are substantial. The enviable position that Sonic holds in the international diagnostics community is a tribute to our loyal and dedicated team of pathologists, radiologists, managers and staff, all of whom I wish to thank and congratulate for their contributions to date."

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For further information regarding the result, please refer to Dr Goldschmidt's PowerPoint Presentation and to Sonic's Appendix 4E Preliminary Final Report, both of which will be posted on the Sonic Healthcare website by 10.00am, 22 August 2006 (www.sonichealthcare.com.au).