

Appendix 4B

Half yearly/preliminary final report

Introduced 30/6/2002.

Name of entity

SONIC HEALTHCARE LIMITED

ABN or equivalent company reference	Half yearly (tick)	Preliminary final (tick)	Half year/financial year ended ('current period')
24 004 196 909	<input type="checkbox"/>	<input checked="" type="checkbox"/>	30 June 2002

For announcement to the market

Extracts from this report for announcement to the market (see note 1).

\$A'000

Revenues from ordinary activities (<i>item 1.1</i>)	up/down	36.9 %	to	859,783
Profit (loss) from ordinary activities after tax attributable to members (<i>item 1.22</i>)	up/down	29.0 %	to	33,758
Profit (loss) from extraordinary items after tax attributable to members (<i>item 2.5(d)</i>)	gain (loss) of			N/a
Net profit (loss) for the period attributable to members (<i>item 1.11</i>)	up/down	29.0 %	to	33,758
Dividends (distributions)	Amount per security	Franked amount per security		
Final dividend (<i>Preliminary final report only - item 15.4</i>)	16 ¢	16 ¢		
Interim dividend (<i>Half yearly report only - item 15.6</i>)				
Previous corresponding period (<i>Preliminary final report - item 15.5; half yearly report - item 15.7</i>)	13 ¢	13 ¢		
+Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (<i>see item 15.2</i>)	4 September 2002			
Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				

If this is a half yearly report it is to be read in conjunction with the most recent annual financial report.

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial performance

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Revenues from ordinary activities (<i>see items 1.23 -1.25</i>)	859,783	627,895
1.2 Expenses from ordinary activities (<i>see items 1.26 & 1.27</i>)	(760,771)	(546,251)
1.3 Borrowing costs	(33,227)	(26,031)
1.4 Share of net profits (losses) of associates and joint venture entities (<i>see item 16.7</i>)	-	-
1.5 Profit (loss) from ordinary activities before tax	65,785	55,613
1.6 Income tax on ordinary activities (<i>see note 4</i>)	(33,578)	(29,486)
1.7 Profit (loss) from ordinary activities after tax	32,207	26,127
1.8 Profit (loss) from extraordinary items after tax (<i>see item 2.5</i>)	-	-
1.9 Net profit (loss)	32,207	26,127
1.10 Net profit (loss) attributable to outside ⁺ equity interests	(1,551)	(52)
1.11 Net profit (loss) for the period attributable to members	33,758	26,179
Non-owner transaction changes in equity		
1.12 Increase (decrease) in revaluation reserves	-	-
1.13 Net exchange differences recognised in equity	5,293	142
1.14 Other revenue, expense and initial adjustments recognised directly in equity (attach details)	-	-
1.15 Initial adjustments from UIG transitional provisions	-	-
1.16 Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)	5,293	142
1.17 Total changes in equity not resulting from transactions with owners as owners	39,051	26,321

+ See chapter 19 for defined terms.

Earnings per security (EPS)	Current period	Previous corresponding period
1.18 Basic EPS	13.8 ¢	13.7 ¢
1.19 Diluted EPS	13.5 ¢	13.0 ¢
Normalised (pre intangibles amortisation) Diluted EPS	33.3 ¢	28.1 ¢

Notes to the condensed consolidated statement of financial performance

Profit (loss) from ordinary activities attributable to members

	Current period - \$A'000	Previous corresponding period - \$A'000
1.20 Profit (loss) from ordinary activities after tax (<i>item 1.7</i>)	32,207	26,127
1.21 Less (plus) outside ⁺ equity interests	(1,551)	(52)
1.22 Profit (loss) from ordinary activities after tax, attributable to members	33,758	26,179

Revenue and expenses from ordinary activities

(see note 15)

	Current period - \$A'000	Previous corresponding period - \$A'000
1.23 Revenue from sales or services	849,262	621,531
1.24 Interest revenue	1,683	1,316
1.25 Other relevant revenue:		
Gross proceeds on sale of PPE	3,976	2,066
Rental income	2,202	1,660
Other	2,660	1,322
1.26 Details of relevant expenses:		
Labour and related costs	425,311	309,365
Amortisation of intangibles	49,402	30,266
Consumables	112,889	86,995
Other expenses	136,170	98,294
1.27 Depreciation and amortisation excluding amortisation of intangibles (<i>see item 2.3</i>)	36,999	21,331

+ See chapter 19 for defined terms.

Capitalised outlays		
1.28 Interest costs capitalised in asset values	-	-
1.29 Outlays capitalised in intangibles (unless arising from an ⁺ acquisition of a business)	-	-

Consolidated retained profits

	Current period - \$A'000	Previous corresponding period - \$A'000
1.30 Retained profits (accumulated losses) at the beginning of the financial period	(22,062)	(10,475)
1.31 Net profit (loss) attributable to members (<i>item 1.11</i>)	33,758	26,179
1.32 Net transfers from (to) reserves (<i>details if material</i>)	-	-
1.33 Net effect of changes in accounting policies	-	-
1.34 Dividends and other equity distributions paid or payable	(52,201)	(37,766)
1.35 Retained profits (accumulated losses) at end of financial period	(40,505)	(22,062)

+ See chapter 19 for defined terms.

Intangible and extraordinary items

		<i>Consolidated - current period</i>			
		Before tax \$A'000 (a)	Related tax \$A'000 (b)	Related outside +equity interests \$A'000 (c)	Amount (after tax) attributable to members \$A'000 (d)
2.1	Amortisation of goodwill	45,461	-	-	45,461
2.2	Amortisation of other intangibles	3,941	-	-	3,941
2.3	Total amortisation of intangibles	49,402	-	-	49,402
2.4	Extraordinary items (details)	-	-	-	-
2.5	Total extraordinary items	-	-	-	-

Comparison of half year profits

(Preliminary final report only)

		Current year - \$A'000	Previous year - \$A'000
3.1	Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the <i>1st</i> half year (item 1.22 in the half yearly report)	12,088	11,548
3.2	Consolidated profit (loss) from ordinary activities after tax attributable to members for the <i>2nd</i> half year	21,670	14,631

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial position		At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly report \$A'000
Current assets				
4.1	Cash	22,939	21,676	34,070
4.2	Receivables	108,620	109,039	101,241
4.3	Investments	-	-	-
4.4	Inventories	15,705	11,561	12,674
4.5	Tax assets	-	-	-
4.6	Other (provide details if material)	-	-	-
4.7	Total current assets	147,264	142,276	147,985
Non-current assets				
4.8	Receivables	3,314	3,424	3,239
4.9	Investments (equity accounted)	-	-	-
4.10	Other investments	29,447	29,635	30,487
4.11	Inventories	-	-	-
4.12	Exploration and evaluation expenditure capitalised (<i>see para .71 of AASB 1022</i>)	-	-	-
4.13	Development properties (+mining entities)	-	-	-
4.14	Other property, plant and equipment (net)	210,439	165,297	198,288
4.15	Intangibles (net)	1,189,721	915,922	1,041,689
4.16	Tax assets	18,524	15,239	15,895
4.17	Other (provide details if material)	-	-	-
4.18	Total non-current assets	1,451,445	1,129,517	1,289,598
4.19	Total assets	1,598,709	1,271,793	1,437,583
Current liabilities				
4.20	Payables	68,199	55,110	51,636
4.21	Interest bearing liabilities	57,468	42,316	57,719
4.22	Tax liabilities	13,031	10,251	(4,016)
4.23	Provisions exc. tax liabilities	94,854	80,309	64,099
4.24	Other (vendor loans – non interest bearing)	47,608	37,132	68,522
4.25	Total current liabilities	281,160	225,118	237,960
Non-current liabilities				
4.26	Payables	3,809	5,454	4,254
4.27	Interest bearing liabilities	457,805	424,266	351,367
4.28	Tax liabilities	2,201	1,584	2,147
4.29	Provisions exc. tax liabilities	16,269	6,951	10,611
4.30	Other	-	-	-
4.31	Total non-current liabilities	480,084	438,255	368,379
4.32	Total liabilities	761,244	663,373	606,339
4.33	Net assets	837,465	608,420	831,244

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial position continued

	Equity			
4.34	Capital/contributed equity	867,156	622,529	842,589
4.35	Reserves	5,711	418	2,434
4.36	Retained profits (accumulated losses)	(40,505)	(22,062)	(20,238)
4.37	Equity attributable to members of the parent entity	832,362	600,885	824,785
4.38	Outside ⁺ equity interests in controlled entities	5,103	7,535	6,459
		837,465	608,420	831,244
4.39	Total equity			
4.40	Preference capital included as part of 4.37	N/a	N/a	N/a

Notes to the condensed consolidated statement of financial position

Exploration and evaluation expenditure capitalised

(To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred.)

	Current period \$A'000	Previous corresponding period - \$A'000
5.1	Opening balance	N/a
5.2	Expenditure incurred during current period	-
5.3	Expenditure written off during current period	-
5.4	Acquisitions, disposals, revaluation increments, etc.	-
5.5	Expenditure transferred to Development Properties	-
5.6	Closing balance as shown in the consolidated balance sheet (item 4.12)	N/a

+ See chapter 19 for defined terms.

Development properties

(To be completed only by entities with mining interests if amounts are material)

	Current period \$A'000	Previous corresponding period - \$A'000
6.1 Opening balance	N/a	N/a
6.2 Expenditure incurred during current period	-	-
6.3 Expenditure transferred from exploration and evaluation	-	-
6.4 Expenditure written off during current period	-	-
6.5 Acquisitions, disposals, revaluation increments, etc.	-	-
6.6 Expenditure transferred to mine properties	-	-
6.7 Closing balance as shown in the consolidated balance sheet (item 4.13)	N/a	N/a

+ See chapter 19 for defined terms.

Condensed consolidated statement of cash flows

		Current period \$A'000	Previous corresponding period - \$A'000
Cash flows related to operating activities			
7.1	Receipts from customers	917,774	639,563
7.2	Payments to suppliers and employees	(702,768)	(514,439)
7.3	Dividends received from associates	-	-
7.4	Other dividends received	-	-
7.5	Interest and other items of similar nature received	1,683	1,316
7.6	Interest and other costs of finance paid	(38,822)	(19,639)
7.7	Income taxes paid	(31,150)	(39,618)
7.8	Other (provide details if material)	-	-
7.9	Net operating cash flows	146,717	67,183
Cash flows related to investing activities			
7.10	Payment for purchases of property, plant and equipment	(29,464)	(21,017)
7.11	Proceeds from sale of property, plant and equipment	3,976	2,066
7.12	Payment for purchases of equity investments	(271)	(27,269)
7.13	Proceeds from sale of equity investments	-	-
7.14	Loans to other entities	-	(3,000)
7.15	Loans repaid by other entities	115	-
7.16	Other – Payment for purchase of controlled entities	(153,177)	(133,460)
	Other – Payment for restructuring activities	(6,582)	(5,558)
	Other – Cash acquired on consolidation of SciGen	-	464
7.17	Net investing cash flows	(185,403)	(187,774)
Cash flows related to financing activities			
7.18	Proceeds from issues of ⁺ securities (shares, options, etc.)	187,889	102,504
7.19	Proceeds from borrowings	558,077	187,209
7.20	Repayment of borrowings	(680,130)	(126,537)
7.21	Dividends paid	(26,208)	(28,473)
7.22	Other – Dividends/distributions to minorities	-	(3,538)
7.23	Net financing cash flows	39,628	131,165
7.24	Net increase (decrease) in cash held	942	10,574
7.25	Cash at beginning of period (see Reconciliation of cash)	21,676	11,022
7.26	Exchange rate adjustments to item 7.25.	321	80
7.27	Cash at end of period (see Reconciliation of cash)	22,939	21,676

+ See chapter 19 for defined terms.

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. *(If an amount is quantified, show comparative amount.)*

Plant and equipment with an aggregate fair value of \$26,872,000 (2001: \$10,138,000) was acquired by means of finance leases and is therefore not reflected in the Statement of Cash Flows.

During the year fully paid ordinary shares to the value of \$28,099,000 were issued in part consideration for the acquisitions during the year of the SKG Radiology Group, the business of Cairns Pathology, and The Doctor's Laboratory Group, as well as payment of deferred consideration for the Stat Laboratories acquisition. At the reporting date further shares with a total value of \$14,951,000 were issuable representing deferred consideration on the SKG and TDL acquisitions.

During the year 1,986,411 fully paid ordinary shares to the value of \$13,688,000 were issued pursuant to the company's Dividend Reinvestment Plan in lieu of dividend payments (2001: Nil). This component of the dividends has therefore not been reflected in the Statement of Cash Flows.

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period \$A'000	Previous corresponding period - \$A'000
8.1 Cash on hand and at bank	22,939	21,676
8.2 Deposits at call	-	-
8.3 Bank overdraft	-	-
8.4 Other (provide details)	-	-
8.5 Total cash at end of period (item 7.27)	22,939	21,676

Other notes to the condensed financial statements

Ratios	Current period	Previous corresponding period
9.1 Profit before tax / revenue Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	7.7	8.9
9.2 Profit after tax / +equity interests Consolidated net profit (loss) from ordinary activities after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 4.37)	4.1	4.4

+ See chapter 19 for defined terms.

Earnings per security (EPS)

10. Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of *AASB 1027: Earnings Per Share* are as follows.

	Current period	Previous corresponding Period
Basic EPS	13.8 ¢	13.7 ¢
Diluted EPS	13.5 ¢	13.0 ¢
Normalised (pre amortisation of intangibles) basic EPS	33.9 ¢	29.5 ¢
Normalised (pre amortisation of intangibles) diluted EPS	33.3 ¢	28.1 ¢
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and normalised basic EPS	245,473,690	191,151,806
Weighted average number of ordinary shares outstanding during the period used in the calculation of diluted and normalised diluted EPS	249,459,397	200,878,516

Normalised basic and diluted earnings per share adjusts the figures used in the determination of basic and diluted earnings per share by adding back to net profit the amount of intangibles amortisation expense for the period of \$49,402,000 (2001: \$30,266,000).

NTA backing

(see note 7)

	Current period	Previous corresponding period
11.1 Net tangible asset backing per ⁺ ordinary security	(\$1.37)	(\$1.35)

Discontinuing Operations

(Entities must report a description of any significant activities or events relating to discontinuing operations in accordance with paragraph 7.5 (g) of AASB 1029: Interim Financial Reporting, or, the details of discontinuing operations they have disclosed in their accounts in accordance with AASB 1042: Discontinuing Operations (see note 17).)

12.1 Discontinuing Operations

N/a

+ See chapter 19 for defined terms.

Control gained over entities having material effect

13.1 Name of entity (or group of entities)	Clinipath SKG Radiology The Doctors Laboratory (UK)
13.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was ⁺ acquired	\$8,142,000 (excluding interest and intangible amortisation in relation to the acquisitions)
13.3 Date from which such profit has been calculated	Clinipath – 1 August 2001 SKG – 1 November 2001 TDL - 10 April 2002
13.4 Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	\$Unknown

Loss of control of entities having material effect

14.1 Name of entity (or group of entities)	N/a
14.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	N/a
14.3 Date to which the profit (loss) in item 14.2 has been calculated	N/a
14.4 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	N/a
14.5 Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	N/a

⁺ See chapter 19 for defined terms.

Dividends (in the case of a trust, distributions)

15.1	Date the dividend (distribution) is payable	19 September 2002
15.2	+Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if +securities are not +CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHESS approved)	4 September 2002
15.3	If it is a final dividend, has it been declared? <i>(Preliminary final report only)</i>	Yes

Amount per security

		Amount per security	Franked amount per security at 30% tax (see note 4)	Amount per security of foreign source dividend
15.4	<i>(Preliminary final report only)</i> Final dividend: Current year	16¢	16¢	-¢
15.5	Previous year	13¢	13¢	-¢
15.6	<i>(Half yearly and preliminary final reports)</i> Interim dividend: Current year	4¢	4¢	-¢
15.7	Previous year	4¢	4¢	-¢

Total dividend (distribution) per security (interim plus final)

(Preliminary final report only)

		Current year	Previous year
15.8	+Ordinary securities	20¢	17¢
15.9	Preference +securities	- ¢	- ¢

+ See chapter 19 for defined terms.

**Half yearly report - interim dividend (distribution) on all securities *or*
Preliminary final report - final dividend (distribution) on all securities**

	Current period \$A'000	Previous corresponding period - \$A'000
15.10 +Ordinary securities (<i>each class separately</i>)	41,987	29,683
15.11 Preference +securities (<i>each class separately</i>)	-	-
15.12 Other equity instruments (<i>each class separately</i>)	-	-
15.13 Total	41,987	29,683

The +dividend or distribution plans shown below are in operation.

The company operates a Dividend Reinvestment Plan (DPR) under which shares can be allotted at a discount to the market price of Sonic's shares. The Board of Sonic have resolved to suspend the operation of the company's DPR in relation to the final dividend for the year ended 30 June 2002 and future dividends until further notice.

The last date(s) for receipt of election notices for the +dividend or distribution plans

N/a

Any other disclosures in relation to dividends (distributions). (*For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting*)

Nil

Details of aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	Current period \$A'000	Previous corresponding period - \$A'000
16.1 Profit (loss) from ordinary activities before tax	-	-
16.2 Income tax on ordinary activities	-	-
16.3 Profit (loss) from ordinary activities after tax	-	-
16.4 Extraordinary items net of tax	-	-
16.5 Net profit (loss)	-	-
16.6 Adjustments	-	-
16.7 Share of net profit (loss) of associates and joint venture entities	-	-

+ See chapter 19 for defined terms.

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. *(If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").)*

<i>Name of entity</i>	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (<i>item 1.9</i>)	
	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period - \$A'000
17.1 Equity accounted associates and joint venture entities				
17.2 Total	N/a	N/a	N/a	N/a
17.3 Other material interests				
17.4 Total	N/a	N/a	N/a	N/a

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current period

(Description must include rate of interest and any redemption or conversion rights together with prices and dates)

Category of +securities	Total number	Number quoted	Issue price per security (see note 14) (cents)	Amount paid up per security (see note 14) (cents)
18.1 Preference +securities (description)	N/a	N/a	N/a	N/a
18.2 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions	N/a	N/a	N/a	N/a
18.3 +Ordinary securities	257,529,679	257,529,679	N/a	N/a
18.4 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks	30,015,054 -	30,015,054 -	N/a N/a	N/a N/a
18.5 +Convertible debt securities (description and conversion factor)	N/a	N/a	N/a	N/a
18.6 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted	N/a	N/a	N/a	N/a
18.7 Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date (if any)</i>
	265,000	N/a	1.47	18/09/02
	922,500	N/a	3.37	15/12/03
	4,500,000	N/a	5.50	20/04/05
	2,328,000	N/a	5.59	20/02/05
	3,503,700	N/a	7.63	20/04/06
18.8 Issued during current period	3,591,600	N/a	7.63	20/04/06
18.9 Exercised during current period	337,500	N/a	1.47	18/09/02
	257,500	N/a	3.37	15/12/03
18.10 Expired/forfeited during current period	5,000	N/a	3.37	15/12/03
	245,000	N/a	5.59	20/02/05
	87,900	N/a	7.63	20/04/06
18.11 Debentures (description)	N/a	N/a		
18.12 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				
18.13 Unsecured Notes (description)	N/a	N/a		
18.14 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

Segment reporting

(Information on the business and geographical segments of the entity must be reported for the current period in accordance with AASB 1005: *Segment Reporting* and for half year reports, AASB 1029: *Interim Financial Reporting*. Because entities employ different structures a pro forma cannot be provided. Segment information in the layout employed in the entity's ⁺accounts should be reported separately and attached to this report.)

REFER APPENDIX 1

Comments by directors

(Comments on the following matters are required by ASX or, in relation to the half yearly report, by AASB 1029: *Interim Financial Reporting*. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.)

Basis of financial report preparation

- 19.1 *If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Interim Financial Reporting. It should be read in conjunction with the last ⁺annual report and any announcements to the market made by the entity during the period. The financial statements in this report are "condensed financial statements" as defined in AASB 1029: Interim Financial Reporting. This report does not include all the notes of the type normally included in an annual financial report. [Delete if preliminary final report.]*
- 19.2 Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

The Company acquired Clinipath on 1 August 2001, the SKG Radiology Group on 1 November 2001, and The Doctors Laboratory Group on 10 April 2002. Trading results from the dates of acquisition have therefore been recognised in the accounts, and interest expense and intangibles amortisation have increased as a result of the acquisitions.

Interest expense was reduced by an equity raising involving the placement of 21,000,000 shares at \$8.10 per share to institutional investors on 26 November 2001.

- 19.3 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

N/a

- 19.4 Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

\$135,154,000 may be distributed as franked dividends out of existing franking credits at 30 June 2002. The payment of the final dividend for 2001/2002 will utilise approximately \$41,987,000 of these franking credits.

⁺ See chapter 19 for defined terms.

19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with *AASB 1029: Interim Financial Reporting*. Disclose changes in accounting policies in the preliminary final report in accordance with *AASB 1001: Accounting Policies-Disclosure*).

N/a

19.6 Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous +annual reports if those revisions have a material effect in this half year.

N/a

19.7 Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last + annual report.

There has been no change in contingent liabilities of the Group during the financial year or up to the date of this report.

Additional disclosure for trusts

20.1 Number of units held by the management company or responsible entity or their related parties.

N/a

20.2 A statement of the fees and commissions payable to the management company or responsible entity.

N/a

Identify:

- initial service charges
- management fees
- other fees

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place

Date

Time

Approximate date the +annual report will be available

TO BE ADVISED
TO BE ADVISED

+ See chapter 19 for defined terms.

Compliance statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX (see note 12).

Identify other standards used

Nil

- 2 This report, and the ⁺accounts upon which the report is based (if separate), use the same accounting policies.
- 3 This report does/~~does not~~* (*delete one*) give a true and fair view of the matters disclosed (see note 2).
- 4 This report is based on ⁺accounts to which one of the following applies.
(*Tick one*)
- | | | | |
|-------------------------------------|---|--------------------------|---|
| <input checked="" type="checkbox"/> | The ⁺ accounts have been audited. | <input type="checkbox"/> | The ⁺ accounts have been subject to review. |
| <input type="checkbox"/> | The ⁺ accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The ⁺ accounts have <i>not</i> yet been audited or reviewed. |
- 5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available* (*delete one*). (*Half yearly report only - the audit report or review by the auditor must be attached to this report if this report is to satisfy the requirements of the Corporations Act.*)
- 6 The entity has/~~does not have~~* (*delete one*) a formally constituted audit committee.

Sign here: Date:22/8/02.....
(Company Secretary)

Print name: ..Paul Alexander.....

+ See chapter 19 for defined terms.

Notes

- 1. For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. Entities are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.
- 2. True and fair view** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.
- 3. Condensed consolidated statement of financial performance**

Item 1.1 The definition of "revenue" and an explanation of "ordinary activities" are set out in *AASB 1004: Revenue*, and *AASB 1018: Statement of Financial Performance*.

Item 1.6 This item refers to the total tax attributable to the amount shown in item 1.5. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg, fringe benefits tax).
- 4. Income tax** If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column "Franked amount per security at % tax" for items 15.4 to 15.7.
- 5. Condensed consolidated statement of financial position**

Format The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 1029: Interim Financial Reporting*, and *AASB 1040: Statement of Financial Position*. Also, banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

Basis of revaluation If there has been a material revaluation of non-current assets (including investments) since the last ⁺annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the entity has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.

+ See chapter 19 for defined terms.

- 6. Condensed consolidated statement of cash flows** For definitions of “cash” and other terms used in this report see *AASB 1026: Statement of Cash Flows*. Entities should follow the form as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 1026*. ⁺Mining exploration entities may use the form of cash flow statement in Appendix 5B.
- 7. Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ⁺ordinary securities (ie, all liabilities, preference shares, outside ⁺equity interests etc). ⁺Mining entities are *not* required to state a net tangible asset backing per ⁺ordinary security.
- 8. Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the ⁺accounts. Details must include the contribution for each gain or loss that increased or decreased the entity’s consolidated profit (loss) from ordinary activities and extraordinary items after tax by more than 5% compared to the previous corresponding period.
- 9. Rounding of figures** This report anticipates that the information required is given to the nearest \$1,000. If an entity reports exact figures, the \$A’000 headings must be amended. If an entity qualifies under ASIC Class Order 98/0100 dated 10 July 1998, it may report to the nearest million dollars, or to the nearest \$100,000, and the \$A’000 headings must be amended.
- 10. Comparative figures** Comparative figures are to be presented in accordance with *AASB 1018* or *AASB 1029 Interim Financial Reporting* as appropriate and are the unadjusted figures from the latest annual or half year report as appropriate. However, if an adjustment has been made in accordance with an accounting standard or other reason or if there is a lack of comparability, a note explaining the position should be attached. For the statement of financial performance, *AASB 1029 Interim Financial Reporting* requires information on a year to date basis in addition to the current interim period. Normally an Appendix 4B to which *AASB 1029 Interim Financial Reporting* applies would be for the half year and consequently the information in the current period is also the year to date. If an Appendix 4B Half yearly version is produced for an additional interim period (eg because of a change of reporting period), the entity must provide the year to date information and comparatives required by *AASB 1029 Interim Financial Reporting*. This should be in the form of a multi-column version of the consolidated statement of financial performance as an attachment to the additional Appendix 4B.
- 11. Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the ⁺ASIC under the Corporations Act must also be given to ASX. For example, a director’s report and declaration, if lodged with the ⁺ASIC, must be given to ASX.
- 12. Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.

⁺ See chapter 19 for defined terms.

- 13. Corporations Act financial statements** This report may be able to be used by an entity required to comply with the Corporations Act as part of its half-year financial statements if prepared in accordance with Australian Accounting Standards.
- 14. Issued and quoted securities** The issue price and amount paid up is not required in items 18.1 and 18.3 for fully paid securities.
- 15. Details of expenses** *AASB 1018* requires disclosure of expenses from ordinary activities according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by ASX. *AASB ED 105* clarifies that the disclosures required by *AASB 1018* must be either *all* according to nature or *all* according to function. Entities must disclose details of expenses using the layout (by nature or function) employed in their ⁺accounts.

The information in lines 1.23 to 1.27 may be provided in an attachment to Appendix 4B.

Relevant Items *AASB 1018* requires the separate disclosure of specific revenues and expenses which are not extraordinary but which are of a size, nature or incidence that disclosure is *relevant* in explaining the financial performance of the reporting entity. The term “relevance” is defined in *AASB 1018*. There is an equivalent requirement in *AASB 1029: Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by ASX.

- 16. Dollars** If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to “000” must be changed to the reporting value.
- 17. Discontinuing operations**

Half yearly report

All entities must provide the information required in paragraph 12 for half years beginning on or after 1 July 2001.

Preliminary final report

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by paragraph 7.5 (g) of *AASB 1029: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their ⁺accounts in accordance with *AASB 1042 Discontinuing Operations*.

In any case the information may be provided as an attachment to this Appendix 4B.

- 18. Format**

This form is a Word document but an entity can re-format the document into Excel or similar applications for submission to the Companies Announcements Office in ASX.

⁺ See chapter 19 for defined terms.

APPENDIX 1

PRELIMINARY FINANCIAL REPORT FOR SONIC HEALTHCARE LIMITED ABN 24 004 196 909

FOR THE YEAR ENDED 30 JUNE 2002

PRIMARY REPORTING – Business Segments

CURRENT PERIOD	Pathology \$000's	Radiology \$000's	SciGen \$000's	Other \$000's	Eliminations \$000's	Consolidated \$000's
Revenue						
External sales	619,115	228,875	1,272	-	-	849,262
Inter segment sales	390	142	-	-	(532)	-
Other revenue	5,357	3,245	236	-	-	8,838
Total segment revenue	624,862	232,262	1,508	-	(532)	858,100
Interest income						1,683
Total revenue						859,783
Result						
Result before amortisation (EBITA)	117,214	44,113	(3,907)	(10,689)	-	146,731
Intangible amortisation	(29,745)	(19,561)	(96)	-	-	(49,402)
Segment result	87,469	24,552	(4,003)	(10,689)	-	97,329
Unallocated net interest expense						(31,544)
Profit before tax						65,785
Income tax expense						(33,578)
Profit after income tax expense						32,207
Segment assets						
	918,755	532,286	23,206	924,248	(799,786)	1,598,709
Segment liabilities						
	481,421	265,002	11,274	64,202	(441,690)	380,209
Unallocated liabilities						381,035
Total liabilities						761,244
Acquisition of property, plant & equipment						
	22,980	70,709	5	2,638	-	96,332*
Depreciation and amortisation expense						
	47,764	37,756	152	729	-	86,401
Other non cash expenses						
	7,347	3,577	14	-	-	10,938

*Note that this includes property, plant and equipment acquired as part of business acquisitions.

+ See chapter 19 for defined terms.

APPENDIX 1 (Continued)

PRELIMINARY FINANCIAL REPORT FOR
SONIC HEALTHCARE LIMITED
ABN 24 004 196 909

FOR THE YEAR ENDED 30 JUNE 2002

PRIMARY REPORTING – Business Segments

PREVIOUS PERIOD	Pathology \$000's	Radiology \$000's	SciGen \$000's	Other \$000's	Eliminations \$000's	Consolidated \$000's
Revenue						
External sales	549,615	70,678	1,238	-	-	621,531
Inter segment sales	-	4	-	14	(18)	-
Other revenue	4,042	712	-	294	-	5,048
Total segment revenue	553,657	71,394	1,238	308	(18)	626,579
Interest income						1,316
Total revenue						627,895
Result						
Result before amortisation (EBITA)	107,165	13,967	(4,272)	(6,265)	-	110,595
Intangible amortisation	(24,432)	(5,676)	(158)	-	-	(30,266)
Segment result	82,733	8,291	(4,430)	(6,265)	-	80,329
Unallocated net interest expense						(24,716)
Profit before tax						55,613
Income tax expense						(29,486)
Profit after income tax expense						26,127
Segment assets	778,072	419,042	25,747	619,212	(570,280)	1,271,793
Segment liabilities	326,455	160,676	7,499	36,038	(274,634)	256,034
Unallocated liabilities						407,341
Total liabilities						663,375
Acquisition of property, plant & equipment	22,676	70,222	209	998	-	94,105*
Depreciation and amortisation expense	40,421	10,897	204	75	-	51,597
Other non cash expenses	40,781	1,065	12	-	-	41,858

*Note that this includes property, plant and equipment acquired as part of business acquisitions.

APPENDIX 1 (Continued)

PRELIMINARY FINANCIAL REPORT FOR
SONIC HEALTHCARE LIMITED
ABN 24 004 196 909

FOR THE YEAR ENDED 30 JUNE 2002

SECONDARY REPORTING – Geographic Segments

	Segment revenues from sales to external customers		Segment Assets		Acquisition of property, plant & equipment	
	2002 \$000's	2001 \$000's	2002 \$000's	2001 \$000's	2002 \$000's	2001 \$000's
Australia	715,249	515,722	1,191,944	1,055,262	84,125	87,485
New Zealand*	113,337	101,313	198,003	188,658	9,516	6,152
Other	20,676	4,496	208,762	27,873	2,691	468
Total	849,262	621,531	1,598,709	1,271,793	96,332	94,105

* The growth in New Zealand revenue is inflated by exchange rate movements and the acquisition of the Pacific Medical Imaging Radiology practices in January 2001.

+ See chapter 19 for defined terms.

APPENDIX 2

PRELIMINARY FINANCIAL REPORT FOR
SONIC HEALTHCARE LIMITED
ABN 24 004 196 909

FOR THE YEAR ENDED 30 JUNE 2002

INCOME TAX

	June 2002 \$'000	June 2001 \$'000
Prima facie income tax expense calculated at 30% (2001: 34%) on the operating profit	19,736	18,908
Increase / (Decrease) in Income tax expense due to non tax deductible / non assessable items:		
Amortisation of Intangibles	14,821	10,291
Deductible expenditure capitalised in investment costs	(3,362)	(2,103)
Quarantined losses of foreign subsidiaries	1,438	1,535
Sundry Items	610	231
Restatement of Tax Balances for reducing corporate tax rate	-	1,052
Prior year (over) / under provision	210	324
Effect of higher / (lower) rates of tax on overseas income	125	(199)
Outside Equity Interests' share of pre-tax profit of trading trusts	-	(553)
Total Income Tax Expense	33,578	29,486

+ See chapter 19 for defined terms.