Financial and Operational Review

Year ended 30 June 2011

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Forward-looking statements

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The information provided in this presentation is based on and should be read in conjunction with the Appendix 4E released to the ASX on 23 August 2011 and includes earnings figures restated on a "constant currency" basis.

Summary

- Financial summary
  - Revenue up 10% (constant currency)
  - EBITDA up 11% (constant currency)
  - NPAT up 6% (constant currency) – guidance met
- Margin expansion in major divisions
  - Germany up 120 bps, USA up 60 bps
- Australian pathology business – H2 turnaround
  - Negative H1 revenue / earnings growth due to fee cuts and low market growth
  - H2 '11 vs H2 '10: revenue growth 6%, margin expansion 190 bps
  - Stable funding environment for next 5 years
- Sonic in strong position
  - Stability and future growth
  - Enhancement of shareholder value

Financial Summary

A$M	FY '11 Constant Currency *	GROWTH FY '11 v FY '10 Constant Currency *	FY '11 Statutory	CURRENCY TRANSLATION EFFECTS
Revenue	**3,287**	10%	**3,096**	(191)
EBITDA	**605**	11%	**570**	(35)
Interest Expense	**74**	51%	**65**	(9)
NPAT	**311**	6%	**295**	(16)

- EPS – 79.7 cents (constant currency), up 6% on FY '10
- Operating cash flow – $409 million, in line with cash profit

* Constant Currency – FY '11 values presented using FY '10 currency exchange rates

Final Dividend

	FY '11	FY '10
Final Dividend	A$0.35	A$0.35

- Dividend franked to 28%
- Record Date 7 September 2011
- Payment Date 21 September 2011
- Dividend Reinvestment Plan remains suspended

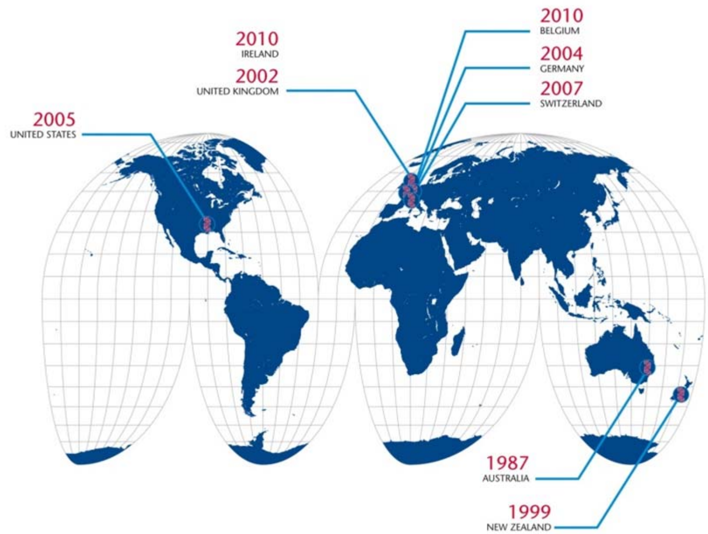
FY '12 Guidance

- EBITDA growth of 10-15%
- Interest expense to increase by ~30%
  - Due to increased margins and growth in debt since July 2010
- Effective tax rate ~26%
  - Reflecting expansion in countries with higher tax rates
- Based on constant currency (FY '11 FX rates)
- Excludes future acquisitions

Sonic Healthcare Model

- Building a strong and successful company
- Enhancing value for stakeholders

- Sonic people
  - Core Values
- Customer services
  - Sonic Foundation Principles
- Shareholder value
  - EPS and ROIC



EPS – Earnings per share
ROIC – Return on invested capital (return after tax)

Sonic People

Core Values

Customer Services

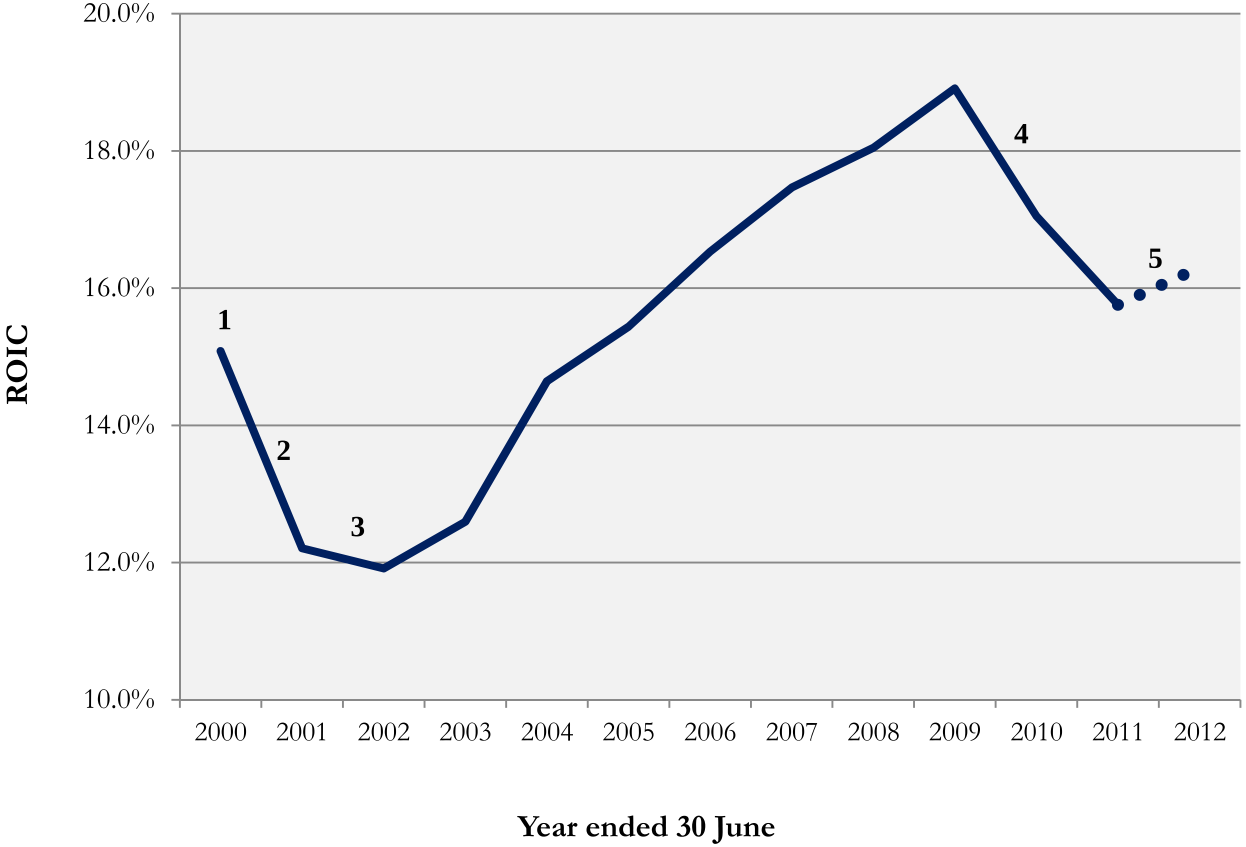
Sonic Foundation Principles

Shareholder Value

Business Model

- Model designed to drive EPS and ROIC accretion
  - Proven in Australia over past two decades
  - Well-advanced in USA and Europe
- Phase 1
  - Initial acquisition in new market
  - EPS accretion
  - Low ROIC
- Phase 2
  - Add synergistic acquisitions
  - EPS accretion
  - Initially ROIC dilutive
- Phase 3
  - Organic growth, synergies, margin expansion
  - EPS accretion
  - ROIC accretion

Return on Invested Capital (ROIC)
Australian Pathology



1 – SGS Medical Group, Hi-Tech acquisitions

2 – SGS minority interests acquisitions

3 – Clinipath, Cairns Pathology acquisitions

4 – Regulatory impacts (fee cuts, collection centres)

5 – Forecast FY ‘12 ROIC

ROIC

Forecast FY ‘12 ROIC

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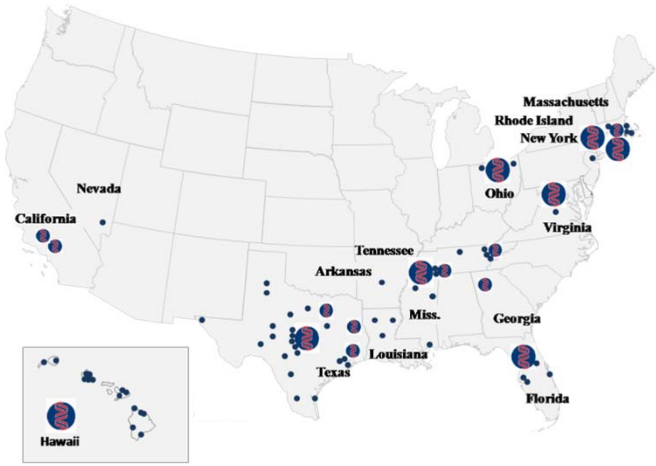
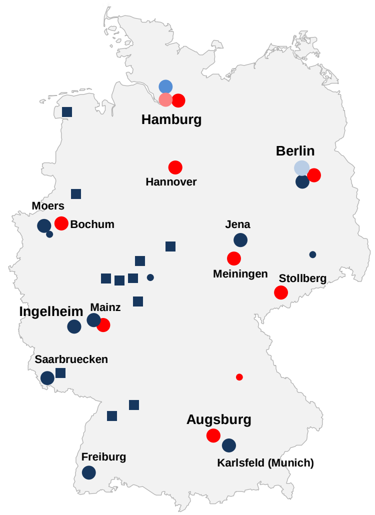
Return on Invested Capital (ROIC)
USA and Germany

- Critical mass and significant infrastructure platforms established in both markets (Phase 1)
- Synergistic bolt-on acquisitions (Phase 2)
- Current focus on organic growth, synergy capture, margin expansion and ROIC accretion (Phase 3)
- Initial ROIC dilution due to acquisitions
  - USA – investment since Sept '05 ~US$1,264 million
  - Germany – investment since Sept '07 ~€430 million
  - USA and Germany – FY '11 ROICs exceed Sonic's WACC
- ROIC accretion to accelerate in USA and Germany

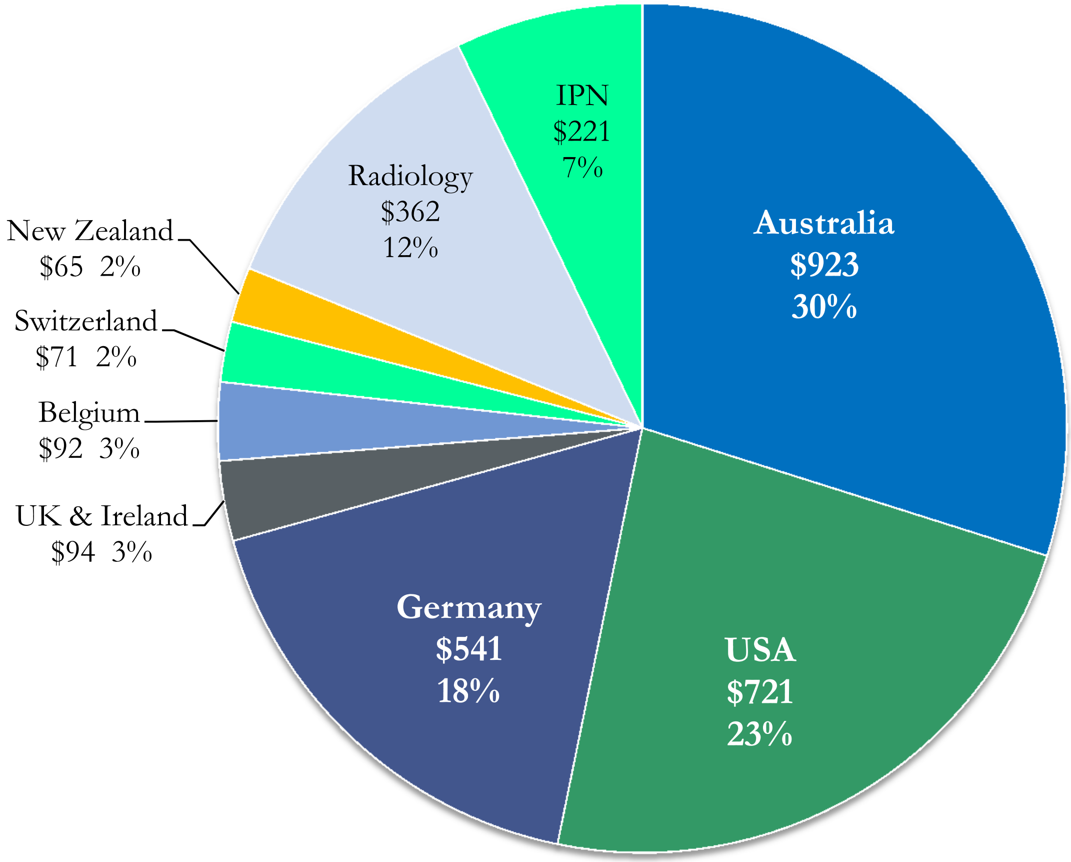




WACC – Weighted average cost of capital

Revenue Split

FY '11



Statutory revenue in A$ M

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Sonic Australian Pathology
Operations

- Sonic Australian pathology division – H2 turnaround
  - Follows fee cuts, low market growth, collection centre deregulation
  - H2 ‘11 vs H2 ‘10: Revenue growth 6%, margin expansion 190 bps
- Organic growth returned to market Oct 2010
  - Sonic’s volume growth H2 ‘11 vs H2 ‘10 7.1%
  - Sonic’s volume growth FY ‘11 vs FY ‘10 5.4%
  - Australian market (Medicare) volume growth FY ‘11 4.8%
- Five year Government funding agreement from 1 July 2011
  - Underpins industry growth at ~5% p.a.
  - Provides stability and predictability
- Collection centre deregulation
  - Industry proliferation of new centres (>50% increase since 1 July 2010)
  - Roll-out has slowed
  - Industry adversely impacted by high rents

USA

- Revenue growth 17%
- Margin expansion* ongoing
  - FY '11 60 bps
  - FY '10 50 bps
  - FY '09 200 bps
- Synergy programs active
  - Procurement, IT standardisation, centralisation, benchmarking
  - Sonic's Apollo IT platform rolled out into third Sonic US lab
  - In-sourcing >150 new esoteric tests into expanded Austin central lab
- 3 acquisitions during the year
  - CBLPath (New York), PAL and CCPL (California)
- Regulatory environment stable
  - Small Medicare increase expected Jan 2012 offset by Medicaid reductions in select States
- Solid growth platform
  - Expect growth in revenue, earnings, margins, ROIC

*Excludes acquisition impacts each year

Europe
Germany

- Revenue growth 7%
- Margin expansion* ongoing
  - FY '11 120 bps
  - FY '10   20 bps
  - FY '09 100 bps
- Berlin head office coordinating national synergy drive
  - Procurement tenders
  - Courier network rationalisation
  - In-sourcing of esoteric tests
  - Lab mergers continuing – two in H1 FY '12
- Recent short-payments by statutory insurance funds in select regions, in dispute
- Solid growth platform
  - Expect growth in revenue, earnings, margins, ROIC

*Excludes acquisition impacts each year

Europe
UK/Ireland, Belgium, Switzerland

- UK and Ireland
  - Strong revenue and earnings growth in UK
  - BMI contract (70 hospitals) – implementation well-advanced, revenue and earnings to commence in FY '12
  - Irish cytology contract successful
  - Government and private hospital outsourcing opportunities
- Belgium
  - Recent acquisitions integrated seamlessly into Antwerp laboratory
  - Synergies to flow in FY '12
  - Current ROIC below Sonic's WACC, accretion expected
- Switzerland
  - Strong performance with revenue and earnings growth
  - Minor fee reduction expected Jan '12
- European growth set to continue

Sonic Imaging
Medical Centres – IPN

- Sonic Imaging
  - Revenue growth 2%
  - Margin expansion 100 bps
  - Ongoing focus on cost control, efficiency gains, Sonic synergies
  - Completed roll-out of Sonic broadband network
  - Improved performance despite inadequate Government funding

- IPN
  - Revenue growth 21%
  - Margin expansion 190 bps
  - Significant growth in occupational health business – resources sector
  - Strong medical leadership team

Sonic Debt Summary

Investment Grade Credit Metrics

		30 Jun '11	30 Jun '10
Net interest-bearing debt	A$M	1,536	1,501
Gearing ratio	%	37.9	37.0
Interest cover	X	7.4	9.4
Debt cover	X	2.8	2.6

- All debt drawn in foreign currencies and affected by exchange rates
- Available headroom ~A$370 million after final dividend (FX rates at 30 June 2011)
- Additional A$250 million equivalent multi-currency facility in progress

- Gearing ratio = Net debt / Net debt + equity (bank covenant limit <55%)
- Interest cover = EBITA / Net interest expense (bank covenant limit >3.25)
- Debt cover = Net debt / EBITDA (bank covenant limit <3.5)
- Formulas as per bank facility definitions

Interest and Tax Expense

A$M	FY '11 Constant Currency	FY '10	CHANGE %
Interest Expense	73.7	48.8	51%
Tax Expense	100.2	92.8	8%

- A$25 million additional interest expense
  - ~A$12 million – interest on additional debt to fund acquisitions since July 2009
  - ~A$13 million – higher interest rates due to refinancing of prior lower margin debt and long-term fixed US debt
- Effective tax rate increased from 24% to 25%
  - Expansion in countries with higher tax rates (USA and Belgium)

Outlook

- Underlying company strength – all divisions performing well
- Australian pathology – strong market position / business turnaround
- USA – margin expansion / ROIC accretion
- Europe – margin expansion / ROIC accretion
- Imaging – improving performance despite tough market
- A$620 million (including new facility) for synergistic acquisitions
- Outstanding global team of pathologists and radiologists
- Talented operational management teams to drive future success
- Strong corporate culture / Medical Leadership model
- Stable industry in volatile times

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Thank You