

**RAMSAY HEALTH CARE LIMITED**  
**ABN 57 001 288 768**

**APPENDIX 4D**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

# RAMSAY HEALTH CARE LIMITED

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**SECTION 1**  
**RESULTS FOR ANNOUNCEMENT**  
**TO THE MARKET**

# RAMSAY HEALTH CARE LIMITED

## RESULTS FOR ANNOUNCEMENT TO THE MARKET

### 1.1 HIGHLIGHTS OF RESULTS

	Notes	6 months ended 31/12/2009 \$'000	6 months ended 31/12/2008 \$'000	% increase/ (decrease)
Revenue and other income from continuing operations		1,685,265	1,611,275	4.6%
Operating revenue from continuing operations		1,682,931	1,607,723	4.7%
Profit from continuing operations before finance costs, tax, depreciation, amortisation and specific items (EBITDA)		235,252	200,797	17.2%
Profit from continuing operations before finance costs, tax, amortisation and specific items (EBIT)		171,622	147,773	16.1%
<b>Core profit after tax from continuing operations</b>	<b>(1)</b>	<b>91,110</b>	<b>68,671</b>	<b>32.7%</b>
Specific items and amortisation of intangibles (net of tax)				
- Non - cash rent expense relating to leased UK hospitals		(11,475)	(12,345)	
- Other		(1,028)	(2,576)	
		(12,503)	(14,921)	(16.2)%
Net profit after tax for the period attributable to members *		78,607	53,750	46.2%
Earnings per share (cents per share)				
<b>Core EPS - Continuing operations</b>	<b>(2)</b>	<b>44.63 c</b>	<b>33.81 c</b>	<b>32.0%</b>

\*: The term members are inclusive of the holders of CARES

1. 'Core profit/ (loss) after tax from continuing operations' and 'core earnings per share - continuing operations' are before specific items, amortisation of intangibles and discontinued operations
2. Core earnings per share (core EPS) calculation is based upon core profit / (loss) after tax from continuing operations adjusted for preference dividends

Dividends – Ordinary Shares #	Amount per security	Franked amount per security
Current year		
- Interim dividend	18.5 ¢	18.5 ¢
Previous corresponding period		
- Interim dividend	16.5 ¢	16.5 ¢
Record date for determining entitlements to the interim dividend		22 March 2010
Date the interim current year dividend is payable		9 April 2010

Convertible Adjustable Rate Equity Securities ('CARES') Dividends		
Record date for determining entitlements to the CARES dividend		8 April 2010
Date the current year CARES dividend is payable		20 April 2010

The results are for the 6 months ended 31 December 2009. The comparative results are for the 6 month period ended 31 December 2008.

# The dividend re-investment plan was suspended for the dividend payable on 9 April 2010.

## **RAMSAY HEALTH CARE LIMITED**

### 1.2 COMMENTARY ON RESULTS

Commentary on results follows

## ASX ANNOUNCEMENT

25 February 2010

### **RAMSAY HEALTH CARE REPORTS 33% RISE IN FIRST-HALF CORE NET PROFIT AND 32% RISE IN CORE EPS**

#### Financial Highlights

- Core EPS\* up 32% to 44.6 cents
- Core net profit<sup>1</sup> after tax up 32.7% to \$91.1 million
- Australia and Indonesia revenue up 7.6% to \$1.4 billion
- UK revenue up 12% to £171.6 million
- Group EBIT up 16.1% to \$171.6 million
  - Australia and Indonesia EBIT up 11.4% to \$149.3 million
  - UK EBIT up 88% to £11.8 million
- Interim dividend 18.5 cents fully franked, up 12.1%
- Reaffirms guidance for core NPAT growth of 18%-20% for the 2010 financial year

#### Overview

Australia's largest private hospital operator Ramsay Health Care today announced a 32.7% increase in Group core net profit after tax from continuing operations (before specific items and amortisation of intangibles) to \$91.1 million for the six months to 31 December 2009.

Group core net profit delivered core earnings per share (EPS) of 44.6 cents for the half, a 32% increase on the 33.8 cents recorded a year ago and in line with upgraded guidance announced to the market on 1 February 2010.

The result was driven by a strong operating performance at Ramsay's Australian and UK operations, cost efficiencies achieved in the UK and lower than expected interest costs across the business due to proactive interest rate management.

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\* Before specific items and amortisation of intangibles

Ramsay recorded specific items and amortisation of intangibles of \$12.5 million (net of tax) in the December half, which predominantly relate to the annual deferred non-cash rent expense from the UK hospitals.

Directors are pleased to declare an interim dividend of 18.5 cents per share fully franked, up 12.1% from the previous year. The dividend reinvestment plan (DRP) has been suspended for the interim dividend payable on 9 April 2010.

Ramsay Managing Director Christopher Rex said: “Ramsay has delivered an exceptionally good first-half result due to the combined effect of cost efficiencies and strong organic growth which reflects the resilience of the private health care industry.

“In Australia and Indonesia, EBITDA margins improved from 13.6% to 14% driven by continued improvement in cost management, increased hospital admissions and an improved patient mix.

“In the UK, the result reflects our forecast improvement in operating costs for the business but also continued growth in NHS (National Health Service) volumes.

“Our brownfields programme remains on track with more than half the approved funds spent and projects being completed on time and on or under budget. Brownfields remain a key part of our growth strategy with earnings set to increase as projects are completed and ramp up.

“We remain focused on capital management, having successfully completed a \$260 million equity raising during the first half which helped strengthen our balance sheet and reduce drawn debt.

“We have senior debt facilities in place until November 2012 which gives us the flexibility to fund future growth beyond our current brownfields programme.

“The formal completion of our acquisition of a 57% stake in French private hospital operator Groupe Proclif SAS (“Proclif”), expected by the end of March, will mark a significant and exciting step in our European expansion strategy.

“The highly fragmented French market presents opportunities for consolidation through acquisition of additional hospitals and the business is underpinned by a strong regulatory framework, funding support and an ageing population driving growth in demand for acute care.”

## Operational highlights Australia and Indonesia

Australia and Indonesia, Ramsay's historical base operations, performed strongly on all operating levels.

Ramsay achieved revenue growth of 7.6% for Australia and Indonesia and EBIT growth of 11.4%, predominantly from organic growth.

Hospital EBITDA margins (excluding prostheses) for Australia and Indonesia rose to 19.2% from 18.3% in the previous corresponding period.

## Operational highlights Ramsay UK

Operating efficiencies were a key driver of the strong first-half result for Ramsay UK, with internal cost restructuring achieved in the prior half being realised in the six months ended 31 December 2009. Operating margins before rent increased to 25.5% from 21.3%.

Revenue climbed 12% as NHS work continued to grow in private hospitals during the half. NHS work now comprises more than 50% of Ramsay UK's private hospital admissions, up from approximately 40% a year ago.

PMI (Private Medical Insurance) and self pay volumes remained under pressure during the half but this was more than offset by growth in NHS activities.

There continues to be broad support for a competitive market for NHS services and Ramsay is strongly positioned to continue growing its business in this expanding, publically funded market.

Negotiations for the Wave 1 ISTC contracts are continuing and close to being finalised.

## Capacity Expansion Programme

### *Australia*

Ramsay's current \$675 million (gross) brownfield expansion programme is progressing well with projects under development tracking to expectations and all completed projects running on time and on or under budget.

Approximately \$380 million has been spent on Brownfields to date, of which \$295 million has been spent on completed projects, including the Hollywood redevelopment.

Construction on the \$320 million Joondalup Health Campus (\$90 million funded by Ramsay) began in November and is due to be completed in mid 2013.

### *UK*

Construction of previously approved capacity expansion projects of £28 million is progressing to plan with around 40% of the projects complete and operational and the balance of the funds approved to be spent over FY10.

Ramsay continues to look for opportunities to expand operating capacity in high demand areas and which meet its investment criteria.

## Capital Management and Cash Flow

Ramsay has committed senior debt funding in place until November 2012.

Proceeds from Ramsay's successful \$260 million capital raising in September/October were used to reduce drawn debt and strengthen the balance sheet.

The capital raising also enhanced Ramsay's flexibility to pursue growth opportunities, including the purchase of a 57% stake in leading French hospital operator Groupe Proclif SAS ("Proclif"), announced to the market on 11 January 2010.

Following the capital raising, and purchase of Proclif, Ramsay's outstanding net debt will be approximately \$1.3 billion and Ramsay's headroom within its senior debt facilities will be approximately \$500-\$600 million (after allowing for current commitments under the brownfields expansion programme).

Overall interest costs were lower than expected for the first half as a result of proactive interest rate management. Interest rates are hedged at fixed rates on approximately 75% of Ramsay's debt.

## Outlook

The continued strength of Ramsay's underlying business, strong prospects for expansion in Europe and rising demand for health care means Ramsay is very well placed for future growth.

Ramsay's pipeline of quality brownfield projects continue to ramp up and add to earnings at an EBIT level and are expected to contribute positively to EPS in FY11 after taking into consideration the interest cost associated with the funds invested.

Ramsay remains focused on growing and developing its UK business which continues to attract high levels of NHS patients and where increasing NHS demand is driving investment in capacity expansion at our hospitals.

The acquisition of a majority stake in Proclif provides Ramsay with a solid platform for further expansion in France. The acquisition, expected to be completed by the end of March 2010, will be core EPS accretive by FY12.

Barring unforeseen circumstances, Ramsay reaffirms its recently upgraded guidance for core NPAT growth of 18%-20% for the Group for the 2010 financial year, translating to core EPS growth of 10%-12%.

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## Summary of Financial Performance

Half Year Ended 31 December

\$ 000's

	Australia & Indonesia 2009	UK 2009	Group 2009	Group 2008	% Increase/ (Decrease)
<b><u>Continuing Operations</u></b>					
Operating Revenue	1,360,309	322,622	1,682,931	1,607,723	4.7%
EBITDAR	203,770	82,167	285,937	256,989	11.3%
EBITDA	190,845	44,406	235,252	200,797	17.2%
EBIT	149,307	22,315	171,622	147,772	16.1%
<b>Core Net Profit After Tax - Continuing operations</b> (1)			<b>91,110</b>	<b>68,671</b>	<b>32.7%</b>
Specific items and amortisation of intangibles, net of tax (2)			(12,503)	(14,921)	(16.2%)
Reported Net Profit After Tax			78,607	53,750	46.2%
<b><u>Earnings Per Share (cents)</u></b> (3)					
<b>Core EPS - Continuing operations</b> (1)			<b>44.6</b>	<b>33.8</b>	<b>32.0%</b>
Basic EPS			38.1	25.2	51.2%
<b><u>Dividends Per Share (cents)</u></b>					
Interim dividend fully franked			18.5	16.5	12.1%

### Notes

(1) 'Core Net Profit After Tax - Continuing Operations' and 'Core Earnings Per Share - Continuing Operations' are before specific items and amortisation of intangibles.

(2) In line with accounting standards, specific items include the non-cash portion of rent expense of \$11.4 million net of tax relating to the UK hospitals.

(3) All EPS calculations are based upon Net Profit After Tax adjusted for Preference Dividends.

**SECTION 2**

**FINANCIAL INFORMATION  
FOR THE HALF YEAR ENDED  
31 DECEMBER 2009**

**RAMSAY HEALTH CARE LIMITED**  
**AND CONTROLLED ENTITIES**  
**A.B.N. 57 001 288 768**  
**FINANCIAL INFORMATION**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

**RAMSAY HEALTH CARE LIMITED**

**AND CONTROLLED ENTITIES**

**A.B.N. 57 001 288 768**

**FINANCIAL REPORT**

**FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

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## **RAMSAY HEALTH CARE LIMITED AND CONTROLLED ENTITIES DIRECTORS' REPORT**

Your directors submit their report for the half year ended 31 December 2009.

### **DIRECTORS**

The names of the company's directors in office during the half year are as below. Directors were in office for this entire period unless otherwise stated.

#### **Names**

P.J. Ramsay AO - Non-Executive Chairman  
M.S. Siddle - Non-Executive Deputy Chairman  
C.P. Rex - Managing Director  
B.R. Soden - Group Finance Director  
A.J. Clark AM - Non-Executive Director  
P.J. Evans - Non-Executive Director  
I.P.S. Grier AM - Non-Executive Director  
R.H. McGeoch AM - Non-Executive Director  
K.C.D. Roxburgh - Non-Executive Director

### **REVIEW AND RESULTS OF OPERATIONS**

Group core net profit after tax from continuing operations (before specific items and amortisation of intangibles) increased 32.7% to \$91.1 million for the six months ended 31 December 2009 and translates to core earnings per share (EPS) of 44.6 cents.

The result was driven by a strong operating performance at Ramsay's Australian and UK operations, cost efficiencies achieved in the UK and lower than expected interest costs across the business due to proactive interest rate management.

### **AUDITORS' INDEPENDENCE DECLARATION**

The written Auditors' Independence Declaration in relation to the review of the half year financial report has been included at page 15, and forms part of this report.

**RAMSAY HEALTH CARE LIMITED AND CONTROLLED ENTITIES  
DIRECTORS' REPORT (CONTINUED)**

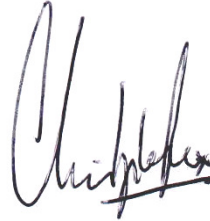
**ROUNDING**

The amounts contained in this report and in the half year financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors.



M.S. Siddle  
Non-Executive Deputy Chairman

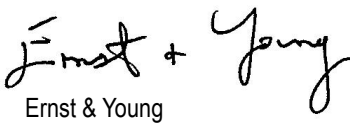


C.P. Rex  
Managing Director

Sydney, 25 February 2010

## Auditor's Independence Declaration to the Directors of Ramsay Health Care Limited

In relation to our review of the financial report of Ramsay Health Care Limited for the half-year ended 31 December 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script, appearing to be 'D. Simmonds'.

David Simmonds  
Partner  
Sydney  
25 February 2010

**RAMSAY HEALTH CARE LIMITED AND CONTROLLED ENTITIES**  
**INCOME STATEMENT**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	Notes	Consolidated	
		2009 \$000	2008 \$000
<b>Continuing operations</b>			
<b>Revenue and other income</b>			
Revenue from services		1,682,931	1,606,431
Interest income		2,334	3,553
Profit on disposal of assets		-	1,279
Other income		-	12
<b>Total revenue and other income</b>		<b>1,685,265</b>	<b>1,611,275</b>
Employee benefits costs		(807,473)	(785,709)
Occupancy costs		(105,724)	(106,114)
Service costs		(104,029)	(106,621)
Medical consumables supplies		(430,453)	(408,481)
Depreciation		(63,630)	(53,024)
Amortisation		(1,132)	(869)
<b>Total expenses, excluding finance costs</b>		<b>(1,512,441)</b>	<b>(1,460,818)</b>
<b>Profit from continuing operations before tax, specific items and finance costs</b>		<b>172,824</b>	<b>150,457</b>
Finance costs		(38,798)	(50,839)
<i>Specific items</i>			
Finance cost - Ineffectiveness of interest rate hedge		(68)	(67)
Service cost - Restructuring and integration costs		-	(676)
Service cost - Development projects costs		(373)	(2,369)
Service cost - Unrealised foreign exchange gain on unhedged portion of GBP loan		2,250	632
Depreciation - Impairment of non-current assets		(1,620)	-
Occupancy cost - Non-cash rent expense relating to UK leased hospitals		(16,702)	(18,022)
<b>Profit before income tax from continuing operations</b>		<b>117,513</b>	<b>79,116</b>
Income tax expense		(38,895)	(25,349)
<b>Profit after tax from continuing operations</b>		<b>78,618</b>	<b>53,767</b>
<b>Net profit for the period</b>		<b>78,618</b>	<b>53,767</b>
Attributable to minority interest		11	17
Attributable to owners of the parent		78,607	53,750
		<u>78,618</u>	<u>53,767</u>
<b>Earnings per share (cents per share)</b>			
Basic earnings per share			
Profit (after CARES dividend)	10	38.2	25.3
Profit (after CARES dividend) from continuing operations	10	38.2	25.3
Diluted earnings per share			
Profit (after CARES dividend)	10	38.1	25.2
Profit (after CARES dividend) from continuing operations	10	38.1	25.2

**RAMSAY HEALTH CARE LIMITED AND CONTROLLED ENTITIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

	Notes	2009 \$000	2008 \$000
<b>Net profit for the period</b>		78,618	53,767
<b>Other comprehensive income:</b>			
Cash flow hedges			
Gain/(loss) taken to equity		21,340	(76,124)
Transferred to income statement		(12,871)	(4,103)
Actuarial gain on defined benefit plans		41	-
Net gain on hedge of net investment		24,181	783
Foreign currency translation		(25,269)	3,109
Income tax relating to components of other comprehensive income	5	<u>(2,541)</u>	<u>24,068</u>
<b>Other comprehensive income for the period, net of tax</b>		<u>4,881</u>	<u>(52,267)</u>
<b>Total comprehensive income for the period</b>		<u><u>83,499</u></u>	<u><u>1,500</u></u>
Attributable to minority interest		11	17
Attributable to owners of the parent		<u>83,488</u>	<u>1,483</u>
		<u><u>83,499</u></u>	<u><u>1,500</u></u>

**RAMSAY HEALTH CARE LIMITED AND CONTROLLED ENTITIES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2009**

	<b>Consolidated</b>	
	<b>As at</b>	<b>As at</b>
	<b>31/12/2009</b>	<b>30/06/2009</b>
<b>Notes</b>	<b>\$000</b>	<b>\$000</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	134,813	89,295
Trade receivables	431,592	418,592
Inventories	80,854	63,885
Other current assets	44,962	50,789
	<u>692,221</u>	<u>622,561</u>
Assets classified as held for sale	11,052	3,200
<b>Total Current Assets</b>	<u>703,273</u>	<u>625,761</u>
<b>Non-current Assets</b>		
Other financial assets	1,340	1,383
Property, plant and equipment	1,648,248	1,626,045
Goodwill and intangible assets	829,485	854,461
Deferred tax asset	59,402	48,133
Non-current receivables	29,771	31,345
<b>Total Non-current Assets</b>	<u>2,568,246</u>	<u>2,561,367</u>
<b>TOTAL ASSETS</b>	<u>3,271,519</u>	<u>3,187,128</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	457,620	452,117
Interest-bearing loans and borrowings	11,839	12,437
Provisions	124,487	114,008
Derivative financial instruments	16,839	23,438
Income tax payable	32,830	17,650
	<u>643,615</u>	<u>619,650</u>
Liabilities associated with assets held for sale	257	-
<b>Total Current Liabilities</b>	<u>643,872</u>	<u>619,650</u>
<b>Non-current Liabilities</b>		
Interest-bearing loans and borrowings	1,167,989	1,420,532
Provisions	209,590	207,451
Pension liability	6,324	6,646
Derivative financial instruments	11,030	14,129
Deferred tax liability	18,127	9,558
<b>Total Non-current Liabilities</b>	<u>1,413,060</u>	<u>1,658,316</u>
<b>TOTAL LIABILITIES</b>	<u>2,056,932</u>	<u>2,277,966</u>
<b>NET ASSETS</b>	<u>1,214,587</u>	<u>909,162</u>
<b>EQUITY</b>		
Issued capital	713,524	447,774
Treasury shares	(8,082)	(10,210)
Convertible adjustable rate equity securities (CARES)	252,165	252,165
Cash flow hedges	(19,451)	(25,379)
Share based payment reserve	13,727	9,776
Vested employee equity	(14,018)	(11,890)
Other reserves	(5,883)	(4,795)
Retained profits	282,207	251,334
<b>Parent interests</b>	<u>1,214,189</u>	<u>908,775</u>
<b>Minority interests</b>	<u>398</u>	<u>387</u>
<b>TOTAL EQUITY</b>	<u>1,214,587</u>	<u>909,162</u>

**RAMSAY HEALTH CARE LIMITED AND CONTROLLED ENTITIES**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

Changes in Equity for the Half Year to 31 December 2009

		<b>Balance at 1 July 2009</b>	Dividends	Share placement and DRP	Treasury shares vesting to employees in the period	Share based payment reserve	Total comprehensive income for the half year, net of tax	<b>Balance at 31 December 2009</b>
	<b>Notes</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Issued Capital	9	447,774	-	265,750	-	-	-	713,524
Treasury Shares		(10,210)	-	-	2,128	-	-	(8,082)
Convertible Preference Shares - CARES		252,165	-	-	-	-	-	252,165
Share Based Payment Reserve		9,776	-	-	-	3,951	-	13,727
Cash Flow Hedges		(25,379)	-	-	-	-	5,928	(19,451)
Hedge of a Net Investment		31,784	-	-	-	-	24,181	55,965
Foreign Currency Translation		(36,579)	-	-	-	-	(25,269)	(61,848)
Actuarial Gains and Losses		(862)	-	-	-	-	41	(821)
Retained Earnings		252,196	(47,775)	-	-	-	78,607	283,028
Vested Employee Equity		(11,890)	-	-	(2,128)	-	-	(14,018)
<b>Members of the Parent</b>		<b>908,775</b>	<b>(47,775)</b>	<b>265,750</b>	<b>-</b>	<b>3,951</b>	<b>83,488</b>	<b>1,214,189</b>
<b>Minority Interest</b>		<b>387</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>398</b>
<b>Total Equity</b>		<b>909,162</b>	<b>(47,775)</b>	<b>265,750</b>	<b>-</b>	<b>3,951</b>	<b>83,499</b>	<b>1,214,587</b>

**RAMSAY HEALTH CARE LIMITED AND CONTROLLED ENTITIES**  
**STATEMENT OF CHANGES IN EQUITY (CONTINUED)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

Changes in Equity for the Half Year to 31 December 2008

	<b>Balance at 1 July 2008</b>	Dividends	DRP	Treasury shares vesting to employees in the period	Share based payment reserve	Total comprehensive income for the half year, net of tax	<b>Balance at 31 December 2008</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Issued Capital	437,622	-	5,493	-	-	-	443,115
Treasury Shares	(13,599)	-	-	5,395	-	-	(8,204)
Convertible Preference Shares - CARES	252,165	-	-	-	-	-	252,165
Share Based Payment Reserve	7,184	-	-	-	1,414	-	8,598
Cash Flow Hedges	21,342	-	-	-	-	(56,159)	(34,817)
Hedge of a Net Investment	28,248	-	-	-	-	783	29,031
Foreign Currency Translation	(34,921)	-	-	-	-	3,109	(31,812)
Actuarial Gains and Losses	-	-	-	-	-	-	-
Retained Earnings	222,263	(40,336)	-	-	-	53,750	235,677
Vested Employee Equity	(6,495)	-	-	(5,395)	-	-	(11,890)
<b>Members of the Parent</b>	<b>913,809</b>	<b>(40,336)</b>	<b>5,493</b>	<b>-</b>	<b>1,414</b>	<b>1,483</b>	<b>881,863</b>
<b>Minority Interest</b>	<b>355</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>372</b>
<b>Total Equity</b>	<b>914,164</b>	<b>(40,336)</b>	<b>5,493</b>	<b>-</b>	<b>1,414</b>	<b>1,500</b>	<b>882,235</b>

**RAMSAY HEALTH CARE LIMITED AND CONTROLLED ENTITIES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

		<b>Consolidated</b>	
	<b>Notes</b>	<b>2009</b>	<b>2008</b>
		<b>\$000</b>	<b>\$000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		1,667,667	1,603,212
Payments to suppliers and employees		(1,440,216)	(1,392,339)
Income tax paid		(29,512)	(24,536)
Finance costs		(41,986)	(51,818)
<b>Net cash flows from operating activities</b>		<u>155,953</u>	<u>134,519</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(129,537)	(125,015)
Interest received		2,334	3,553
<b>Net cash flows used in investing activities</b>		<u>(127,203)</u>	<u>(121,462)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(39,653)	(34,843)
Repayment of principal to bondholders		(1,217)	(1,198)
Repayment of finance lease - principal		(776)	(953)
Proceeds from issue of shares		257,628	-
Proceeds from/(repayment of) borrowings		(198,523)	49,330
<b>Net cash flows from financing activities</b>		<u>17,459</u>	<u>12,336</u>
Net increase in cash and cash equivalents		46,209	25,393
Net foreign exchange differences on cash held		(691)	(16)
Cash and cash equivalents at beginning of period		89,295	93,268
<b>Cash and cash equivalents at end of period</b>	<b>4</b>	<u>134,813</u>	<u>118,645</u>

**RAMSAY HEALTH CARE LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE HALF YEAR FINANCIAL STATEMENTS**  
**For the Half Year Ended 31 December 2009**

**1. CORPORATE INFORMATION**

The financial report of Ramsay Health Care Limited and controlled entities (the “Group”) for the half year ended 31 December 2009 was authorised for issue in accordance with a resolution of the directors on the 25 February 2010.

Ramsay Health Care Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian stock exchange.

The nature of operations of the Group is described in the Directors’ Report.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation**

The half year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 “Interim Financial Reporting” and other mandatory professional reporting requirements. It does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half year financial report should be read in conjunction with the annual financial report of Ramsay Health Care Limited as at 30 June 2009.

It is also recommended that the half year financial report be considered together with any public announcements made by Ramsay Health Care Limited and its controlled entities during the half year ended 31 December 2009 in accordance with the continuous disclosure obligations arising under the ASX listing rules.

The half year financial report has been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value. Apart from changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

The financial report is presented in Australian dollars and all values are rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/0100. This is an entity to which the Class Order applies.

**RAMSAY HEALTH CARE LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE HALF YEAR FINANCIAL STATEMENTS**  
**For the Half Year Ended 31 December 2009**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(a) Basis of preparation (continued)**

The Directors believe that the core net profit after tax from continuing operations, before specific items and amortisation and the core earnings per share from continuing operations measures provide additional useful information for shareholders on the underlying performance of the business, and are consistent with how business performance is measured internally. It is not a recognised profit measure under AIFRS and may not be directly comparable with core net profit after tax from continuing operations measures used by other companies.

	<b>Consolidated</b>	
	<b>2009</b>	<b>2008</b>
	<b>\$000</b>	<b>\$000</b>
<b>Core profit after tax from continuing operations</b>		
Profit from continuing operations before tax, specific items and finance costs	172,824	150,457
Less: Finance costs	(38,798)	(50,839)
Profit from continuing operations before tax and specific items	<u>134,026</u>	<u>99,618</u>
Add: Amortisation	1,132	869
Profit from continuing operations before tax, specific items and amortisation	<u>135,158</u>	<u>100,487</u>
Profit attributable to minority interests	(11)	(17)
Income tax (expense) on continuing operations (excluding specific items)	<u>(44,037)</u>	<u>(31,799)</u>
Core profit after tax from continuing operations	<u>91,110</u>	<u>68,671</u>
<b>Core earnings per share from continuing operations</b>		
Core profit after tax from continuing operations (above)	91,110	68,671
Less: CARES Dividend	<u>(5,365)</u>	<u>(9,846)</u>
Core profit after tax from continuing operations used to calculate Core earnings per share continuing operations	<u>85,745</u>	<u>58,825</u>
Weighted average number of ordinary shares adjusted for the effect of dilution	192,130,779	173,995,598
Core earnings per share from continuing operations	44.63 c	33.81 c
<b>Reconciliation of core profit after tax from continuing operations to profit attributable to members of the parent</b>		
Core profit after tax from continuing operations (above)	91,110	68,671
Specific items and amortisation of intangibles (net of tax)		
- Non - cash rent expense relating to leased UK hospitals	(11,475)	(12,345)
- Other	(1,028)	(2,576)
Net profit attributable to members of the parent	<u>78,607</u>	<u>53,750</u>

**RAMSAY HEALTH CARE LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE HALF YEAR FINANCIAL STATEMENTS**  
**For the Half Year Ended 31 December 2009**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Change in accounting policy**

From 1 July 2009 The Group adopted the following Standards and Interpretation, adoption of these Standards and Interpretations did not have any significant effect on the financial position or performance of the Group for the six months ended 31 December 2009. They did however give rise to additional disclosures, including, in some cases, revisions to accounting policies.

- AASB 101 (*Revised*) AASB 2007-8 and AASB 2007-10 *Presentation of Financial Statements and consequential amendments.*
- AASB 127 (*Revised*) *Consolidated and Separate Financial Statements*
- AASB 3 *Revised Business Combinations*
- AASB Int 16 *Hedges of a Net Investment in a Foreign Operation*
- AASB 7 *Financial Instruments (Revised)*
- AASB Int 17 and AASB 2008-13 *Distributions of Non-cash Assets to Owners and consequential amendments to Australian Accounting Standards AASB 5 and AASB 10*
- AASB Int 18 *Transfers of Assets from Customer*
- AASB 8 and AASB 2007-3 *Operating Segments and consequential amendments to other Australian Accounting Standards*
- AASB 1039 (*Revised*) *Concise Reporting*
- AASB 123 (*Revised*) and AASB 2007-6 *Borrowing Costs and consequential amendments to other Australian Accounting Standards*
- AASB 2008-1 *Amendments to Australian Accounting Standard-Share based Payments: Vesting Conditions and Cancellations*
- AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127*
- AASB 2008-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project*
- AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*
- AASB 2008-7 *Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
- AASB 2008-8 *Amendments to Australian Accounting Standards - Eligible Hedged Items*
- AASB 2009-2 *Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments (AASB 4, AASB 7, AASB 1023 and AASB 1038)*
- AASB 2009-4 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASB 2 and AASB 138 and AASB Interpretations 9 & 16)*
- AASB 2009-Y *Amendments to Australian Accounting Standards (AASB 5,7,107,112,136 & 139 and Interpretation 17)*

The principal effects of these changes are:

*AASB 8 Operating Segments*

The AASB issued AASB 8 in February 2007. AASB 8 replaces AASB 114 Segment Reporting (IAS 14) upon its effective date. The Group concluded that the operating segments determined in accordance with AASB 8 are the same as the business segments previously identified under AASB 114. AASB 8 disclosures are shown in Note 6, including the related revised comparative information.

The Group has not elected to early adopt any new standards or amendments.

**RAMSAY HEALTH CARE LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE HALF YEAR FINANCIAL STATEMENTS**  
**For the Half Year Ended 31 December 2009**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(c) Basis of consolidation**

The half year consolidated financial statements comprises the financial information of Ramsay Health Care Limited ('the Company') and its subsidiaries ('the Group') as at 31 December 2009. The financial information of subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

In preparing the consolidated financial information, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Minority interests represent the interests in Sydney Central Coast Linen Service Pty Ltd, Health Care Trust No.1, Glenferrie Private Hospital Pty Limited and PT Affinity Health Indonesia, not held by the Group.

**(d) Significant accounting estimates and assumptions**

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next reporting period are:

*Impairment of goodwill and intangibles with indefinite useful lives*

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill and intangibles with indefinite useful lives are allocated.

*Share – based payment transactions*

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Monte Carlo simulation model. The Group measures the cost of cash settled share based payments at fair value at the grant date using a Monte Carlo simulation model taking into account the terms and conditions upon which the instruments were granted.

*Medical malpractice provision*

The Group determines an amount to be provided for the self-insured retention, potential uninsured claims and 'Incurred but not Reported' ('IBNR') in relation to medical malpractice with reference to actuarial calculations. This actuarial calculation is performed at each reporting period.

*Pension benefits*

The cost of defined benefit pension plans as well as the present value of the pension obligation is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return of assets, future salary increases, mortality rates and future pension increases. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate management considers the interest rates of corporate bonds in the respective country. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the specific country.

**RAMSAY HEALTH CARE LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE HALF YEAR FINANCIAL STATEMENTS (CONTINUED)**  
**For the Half Year Ended 31 December 2009**

	Consolidated	
	As at 31/12/2009 \$000	As at 31/12/2008 \$000
<b>3. DIVIDENDS PAID</b>		
<b>(a) Dividends declared and paid during the period on ordinary shares:</b>		
<i>Previous year final dividend paid</i>		
- Franked dividends - ordinary (21.5 cents per share) (2008: 17.5 cents)	42,410	30,490
<b>(b) Dividends proposed and not recognised as a liability on ordinary shares:</b>		
<i>Interim dividend proposed</i>		
- Franked dividends - ordinary (18.5 cents per share) (2008: 16.5 cents)	37,385	28,856
<b>(c) Dividends declared and paid during the period on CARES:</b>	5,365	9,846
<b>(d) Dividends proposed and not recognised as a liability on CARES:</b>	6,495	7,348
The tax rate at which paid dividends have been franked is 30% (2008: 30%). 100% of the proposed dividends will be franked at the rate of 30% (2008: 30%).		
Under the terms of the dividend reinvestment plan ('The plan') \$8,121,417 (2008: \$5,491,579) dividends were paid via the issue of 759,627 ordinary shares (2008: 538,505) during the period.		
<b>4. CASH AND CASH EQUIVALENTS</b>		
For the purpose of the half year statement of cashflows, cash and cash equivalents are comprised of the following:		
Cash at bank	134,813	118,645
<b>5. TAX RELATING TO OTHER COMPREHENSIVE INCOME</b>		
Disclosure of tax effects relating to each component of other comprehensive income		
- Gain on cashflow hedges taken to equity	(6,402)	22,837
- Gain on cashflow hedges transferred to the income statement	3,861	1,231
	(2,541)	24,068

**RAMSAY HEALTH CARE LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE HALF YEAR FINANCIAL STATEMENTS (CONTINUED)**  
**For the Half Year Ended 31 December 2009**

**6. SEGMENT INFORMATION**

*Identification of reportable segments*

The group has identified its operating segments based on the internal reports that are reviewed and used by the Managing Director and the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the country in which the service is provided, as this is the Group's major risk and has the most effect on the rate of return, due to differing currencies and differing health care systems in the respective countries. The group has two reportable operating segments being Asia Pacific and the United Kingdom.

Discrete financial information about each of these operating businesses is reported to the Managing Director and his management team on at least a monthly basis.

*Types of services*

The reportable operating segments derive their revenue primarily from providing health care services to both public and private patients in the community.

*Accounting policies and inter-segment transactions*

Transfer prices between operating segments are on an arms length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment results include transfers between the segments. These transfers are eliminated on consolidation.

The accounting policies used by the Group in reporting segments are the same as those contained in Note 2 to the accounts and in prior periods.

**RAMSAY HEALTH CARE LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE HALF YEAR FINANCIAL STATEMENTS (CONTINUED)**  
**For the Half Year Ended 31 December 2009**

**6. SEGMENT INFORMATION (CONTINUED)**

**Total and Continuing operations**

	<b>Asia Pacific \$000</b>	<b>UK \$000</b>	<b>Total \$000</b>
<b>Six months ended 31 December 2009</b>			
<b>Revenue</b>			
Revenue from services	1,360,309	322,622	1,682,931
Other revenue	-	-	-
Total revenue before intersegment revenue	1,360,309	322,622	1,682,931
Intersegment revenue	1,177	-	1,177
Total segment revenue	1,361,486	322,622	1,684,108
<b>Results</b>			
Segment net profit after tax	87,830	3,280	91,110
<b>Specific Items</b>			
- Ineffectiveness of interest rate hedge	(68)	-	(68)
- Development projects costs	(373)	-	(373)
- Unrealised foreign exchange gain on unhedged portion of GBP loan	2,250	-	2,250
- Impairment of non-current assets	(1,620)	-	(1,620)
- Non - cash rent expense relating to UK leased hospitals	-	(16,702)	(16,702)
Finance costs	(36,113)	(2,685)	(38,798)
Interest income	2,334	-	2,334
Income tax expense	(36,697)	(2,198)	(38,895)
Depreciation	(41,539)	(22,091)	(63,630)
Amortisation of intangibles	(1,132)	-	(1,132)

**RAMSAY HEALTH CARE LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE HALF YEAR FINANCIAL STATEMENTS (CONTINUED)**  
**For the Half Year Ended 31 December 2009**

**6. SEGMENT INFORMATION (CONTINUED)**

**Total and Continuing operations**

	<b>Asia Pacific \$000</b>	<b>UK \$000</b>	<b>Total \$000</b>
<b>Six months ended 31 December 2008</b>			
<b>Revenue</b>			
Revenue from services	1,262,786	343,645	1,606,431
Other revenue	1,291	-	1,291
Total revenue before intersegment revenue	1,264,077	343,645	1,607,722
Intersegment revenue	1,489	-	1,489
Total segment revenue	1,265,566	343,645	1,609,211
<b>Results</b>			
Segment net profit/(loss) after tax	71,930	(3,259)	68,671
<b>Specific Items</b>			
- Ineffectiveness of interest rate hedge	(67)	-	(67)
- Restructuring, disposal and integration costs	(192)	(484)	(676)
- Development projects costs	(889)	(1,480)	(2,369)
- Unrealised foreign exchange gain on unhedged portion of GBP loan	632	-	632
- Non - cash rent expense relating to UK leased hospitals	-	(18,022)	(18,022)
Finance costs	(42,871)	(7,968)	(50,839)
Interest income	3,553	-	3,553
Income tax expense	(29,949)	4,600	(25,349)
Depreciation	(37,317)	(15,707)	(53,024)
Amortisation of intangibles	(869)	-	(869)

**RAMSAY HEALTH CARE LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE HALF YEAR FINANCIAL STATEMENTS (CONTINUED)**  
**For the Half Year Ended 31 December 2009**

**6. SEGMENT INFORMATION (CONTINUED)**

	<b>Consolidated</b>	
	<b>2009</b>	<b>2008</b>
	<b>\$000</b>	<b>\$000</b>
<b>i) Segment revenue reconciliation to income statement</b>		
Total segment revenue	1,684,108	1,609,211
Inter - segment sales elimination	(1,177)	(1,489)
Interest income	2,334	3,553
Total revenue per income statement	<u>1,685,265</u>	<u>1,611,275</u>

**ii) Segment net profit after tax reconciliation to income statement**

The executive management committee meets on a monthly basis to assess the performance of each segment by analysing the segment's core net profit after tax. A segment's core net profit after tax excludes income and expenses from specific items and amortisation.

Reconciliation of segment core net profit after tax to profit before tax from continuing operations

Segment core net profit after tax	91,110	68,671
Income tax expense on core profit	44,040	31,800
Specific Items		
- Ineffectiveness of interest rate hedge	(68)	(67)
- Restructuring, disposal and integration costs	-	(676)
- Development projects costs	(373)	(2,369)
- Unrealised foreign exchange gain on unhedged portion of GBP loan	2,250	632
- Non - cash rent expense relating to UK leased hospitals	(16,702)	(18,022)
- Impairment of non-current assets	(1,620)	-
- Amortisation of intangibles	(1,132)	(869)
Other	8	16
Profit before tax from continuing operations	<u>117,513</u>	<u>79,116</u>

**7. INVENTORY**

	<b>Consolidated</b>	
	<b>As at</b>	<b>As at</b>
	<b>31/12/2009</b>	<b>30/06/2009</b>
	<b>\$000</b>	<b>\$000</b>
Amount of medical and food supplies to be consumed in providing future patient services - at cost	65,438	63,885
Medical consulting suites to be sold that are currently under construction - at cost	15,416	-
	<u>80,854</u>	<u>63,885</u>

**8. ASSETS CLASSIFIED AS HELD FOR SALE**

Property, plant and equipment that is available for sale to external parties and has been written down to fair value	<u>11,052</u>	<u>3,200</u>
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Assets are held for sale to external parties in the next 6 months. Assets are non-core parts of the Asia Pacific segment.

**RAMSAY HEALTH CARE LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE HALF YEAR FINANCIAL STATEMENTS (CONTINUED)**  
**For the Half Year Ended 31 December 2009**

**9. CONTRIBUTED EQUITY**

	As at 31/12/09 \$000	As at 30/06/09 \$000
<b>(a) Issued and paid up capital</b>		
202,081,252 ordinary share fully paid (30 June 2009: 175,255,862 ordinary shares fully paid)	713,524	447,774
	<b>Number of shares</b>	<b>\$000</b>
<b>(b) Movements in share issue</b>		
Balance at beginning of the period	175,255,862	447,774
Issued during the period		
- Share Placement (DRP)	759,627	8,121
- Share Placement	22,000,000	221,100
- Share Purchase Plan	4,065,763	39,987
Less: issue costs		(3,458)
Balance at end of the period	202,081,252	713,524

**10. EARNINGS PER SHARE**

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent (after deducting the CARES dividend) by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent (after deducting the CARES dividend) by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	As at 31/12/09 \$000	As at 31/12/08 \$000
Net profit for the period attributable to the members of the parent	78,607	53,750
Less: dividend paid on convertibles adjustment rate equity securities (CARES)	(5,365)	(9,846)
Profit used in calculating basic and diluted for profit (after CARES dividend) earnings per share from continuing operations	73,242	43,904
	Number of Shares	Number of Shares
Weighted average number of ordinary shares used in calculating basic earnings per share	191,694,745	173,711,264
Effect of dilution - share rights	436,034	284,334
Weighted average number of ordinary shares adjusted for the effect of dilution	192,130,779	173,995,598

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements. The rights granted to Executives have the potential to dilute earnings per share.

**RAMSAY HEALTH CARE LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE HALF YEAR FINANCIAL STATEMENTS (CONTINUED)**  
**For the Half Year Ended 31 December 2009**

**11. SHARE BASED PAYMENT PLANS**

On 20 October 2009, 347,000 share rights were granted to senior executives. The rights are issued for nil consideration and are granted in accordance with the plan's guidelines established by the Directors of Ramsay Health Care Limited. The fair value of each share right is estimated on the date of grant using the Monte Carlo Model and the Black Scholes Option Pricing model with the following weighted average assumptions.

Dividend yield	3.8%
Expected volatility	30% - 35%
Historical volatility	35%
Risk - free interest rate	5.2% - 5.4%
Effective life of incentive right	3 years

The estimated fair value of the share rights at grant date are \$7.58 and \$9.68.

**12. SUBSEQUENT EVENTS**

*Proclif Acquisition*

On 11 January 2010, Ramsay Health Care Limited announced, subject to regulatory approvals, banking consents and entering into formal documentation, its agreement to acquire a 57% interest in Group Proclif SAS (Proclif), a leading private hospital operator based in France, for an acquisition price of €87 million (A\$142 million).

The acquisition of Proclif provides a number of strategic benefits for Ramsay:

- entry into a stable integrated public and private hospital system underpinned by strong regulatory framework and funding support;
- growing demand for acute care driven by an ageing French population;
- increasing private sector participation in the industry in co-ordination with public hospitals and authorities; and
- provide a solid platform, local management expertise and investment partner for further expansion in France.

The acquisition will be funded through Ramsay's existing Australian senior debt facility.

The acquisition is expected to be completed by the end of March 2010, subject to obtaining the requisite regulatory approvals.

*Dividend Re-investment Plan*

On 23rd February 2010 the Board suspended the Dividend Re-investment Plan (DRP) for the interim dividend payable on 9 April 2010.

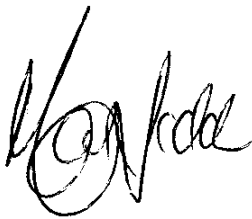
**RAMSAY HEALTH CARE LIMITED  
DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Ramsay Health Care Limited, I state that:

In the opinion of the directors:

- (a) the financial information and notes of the consolidated entity are in accordance with the Corporations Act 2001 including:
  - (i) give a true and fair view for the financial position as at 31 December 2009 and the performance for the half year ended on that date of the consolidated entity; and
  - (ii) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



M.S. Siddle  
Non-Executive Deputy Chairman



C.P. Rex  
Managing Director

Sydney, 25 February 2010

## Independent review report to members of Ramsay Health Care Limited

We have reviewed the accompanying half year financial report of Ramsay Health Care Limited, which comprises the statement of financial position as at 31 December 2009, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half year end or from time to time during the half year.

### Directors' Responsibility for the Half Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Ramsay Health Care Limited and the entities it controlled during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

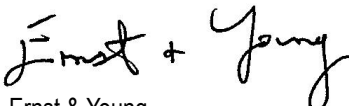
### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

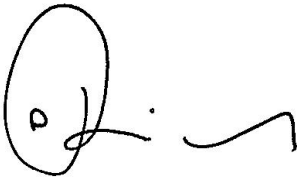
## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of Ramsay Health Care Limited is not in accordance with the *Corporations Act 2001*, including:

- i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half year ended on that date; and
- ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script, appearing to be 'D. Simmonds'.

David Simmonds  
Partner  
Sydney  
25 February 2010

**SECTION 3**  
**ANALYST INFORMATION**

**RAMSAY HEALTH CARE LIMITED AND CONTROLLED ENTITIES**  
**APPENDIX 4D**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2009**

**ANALYST INFORMATION**

**1) Earnings per Share**

	<b>As at 31/12/09</b>	<b>As at 31/12/08</b>
	<b>\$000</b>	<b>\$000</b>
Net profit for the period attributable to the members of the parent	78,607	53,750
Less: dividend paid on convertibles adjustment rate equity securities (CARES)	(5,365)	(9,846)
Profit used in calculating basic and diluted for profit (after CARES dividend) earnings per share from continuing operations	<u>73,242</u>	<u>43,904</u>
	<b>Number of Shares</b>	<b>Number of Shares</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	191,694,745	173,711,264
Weighted average number of ordinary shares used in calculating diluted earnings per share	192,130,779	173,995,598
Earnings per share (cents per share)		
- basic for profit (after CARES dividend) for the half year	38.2	25.3
- diluted for profit (after CARES dividend) for the half year	38.1	25.2
- basic for profit (after CARES dividend) from continuing operations	38.2	25.3
- diluted for profit (after CARES dividend) from continuing operations	38.1	25.2

**2) Dividends**

<b>Dividends - Ordinary Shares #</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
Current year		
- Interim dividend	18.5 ¢	18.5 ¢
Previous corresponding period		
- Interim dividend	16.5 ¢	16.5 ¢
Record date for determining entitlements to the interim dividend		22 March 2010
Date the current year interim dividend is payable		9 April 2010

<b>Interim Dividend</b>	<b>2009</b>	<b>2008</b>
	<b>\$000</b>	<b>\$000</b>
Ordinary securities	37,385	28,856

The current year interim dividend will be franked at the rate of 30% (2008: 30 %)

# The dividend re-investment plan was suspended for the dividend payable on 9 April 2010.

**3) NTA backing**

	<b>31/12/2009</b>	<b>30/06/2009</b>
	<b>\$</b>	<b>\$</b>
Net tangible asset backing per ordinary share	1.70	0.09