



RAMSAY HEALTH CARE LIMITED
Results Presentation
Year Ended 30 June 2001



Chairman's Overview

Net profit after unusual items up 142% to \$16.0 million

Net profit before unusual items increased 95% to \$16.5 million

- **Focus on core hospital management competency delivers strong result**
- **Successful completion of Alpha takeover delivers more capacity and growth potential**
- **Private health care sector strength expected to be maintained, growth outlook positive**
- **Final dividend increased to 5 cents, unfranked (full year dividend increased by 15% to 8.5 cents)**



Highlights of the Year

- **Substantial rise in sustainable profitability**
- **Significant health fund rate increases**
- **Completed exit of Flinders Private Hospital**
- **Mildura Base Hospital successfully commissioned, breaks even in first 9 months**
- **Successful share placement and refinancing**
- **Takeover of Alpha Healthcare completed**
- **North Shore Private significant profit improvement, more profit growth anticipated**



Financial Highlights

Overview - Group

- **Group NPAT after unusual items up 142%**
- **Group NPAT before unusual items up 95%**
- **Group revenue up 18%**
- **Group EBIT up 28%**
- **EBIT margin up to 10.2% from 9.4%**
- **EPS increases to 14.2 cents from 6.1 cents**



Financial Highlights

	Year Ended 30 June 2001 \$000's					
	** Alpha	Ramsay		Total		
	2001	2000	2001	2000	2001	%
Operating Revenue	8,869	328,220	379,058	328,220	387,927	18%
EBITDA	794	51,581	59,157	51,581	59,951	16%
EBIT	353	30,828	39,206	30,828	39,559	28%
Profit before tax and unusual items	129	9,962	22,283	9,962	22,412	125%
NPAT before unusual items	129	8,426	16,337	8,426	16,466	95%
Unusual Items (net of tax)	-	* (1,810)	(462)	* (1,810)	(462)	-
NPAT	129	6,616	15,875	6,616	16,004	142%

EBIT Margin	4.0%	9.4%	10.3%	9.4%	10.2%
EPS (cents per share)				6.1	14.2

* Previously disclosed as abnormal in 2000

** Alpha results are for the month of June only



Financial Performance

Unusual Items (Net of Tax)

\$000's

Break costs associated with
refinancing the bond structure

(3,102)

Tax credit arising from tax losses
not previously brought to account

2,640

Total

(462)



Refinancing

- **Debt financing / restructuring**
- **New facility of up to \$250 million**
- **Excludes Alpha debt**
- **Significant benefits**
 - Increased flexibility
 - Certainty of funding over the next 5 years
 - Provides significant scope to pursue growth opportunities fitting Ramsay's investment criteria



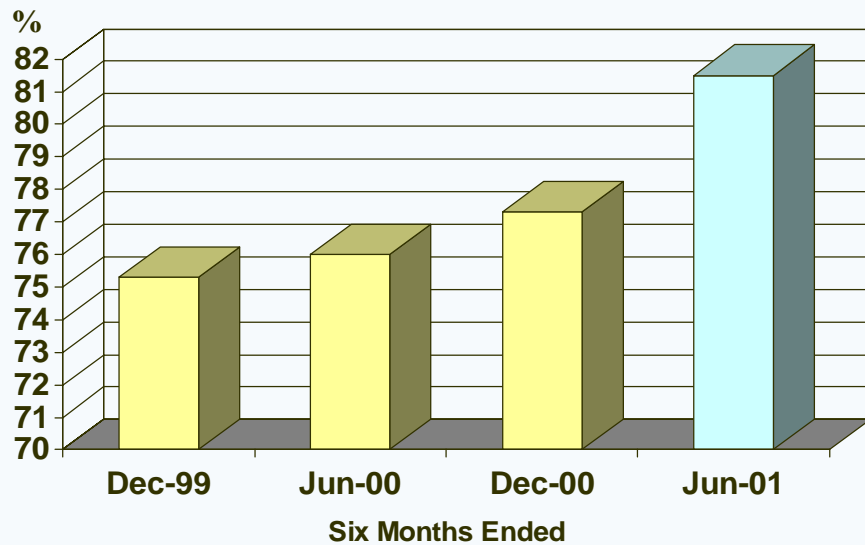
Group Key Performance Indicators

	Six Months Ended			
	31/12/99	30/06/00	31/12/00	30/06/01
Patient Bed Days	228,058	227,480	246,110	264,110
Occupancy %	75.3%	76.0%	77.3%	81.0%
Revenue PPD \$	575	585	601	638

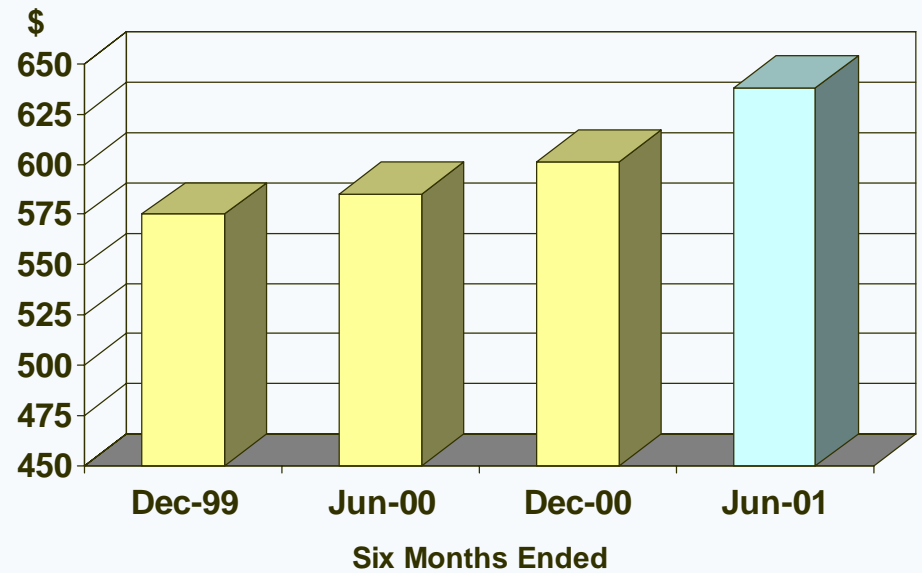


Group Key Performance Indicators

Occupancy (%)



Revenue Per Patient Day (\$)





Group Key Performance Indicators

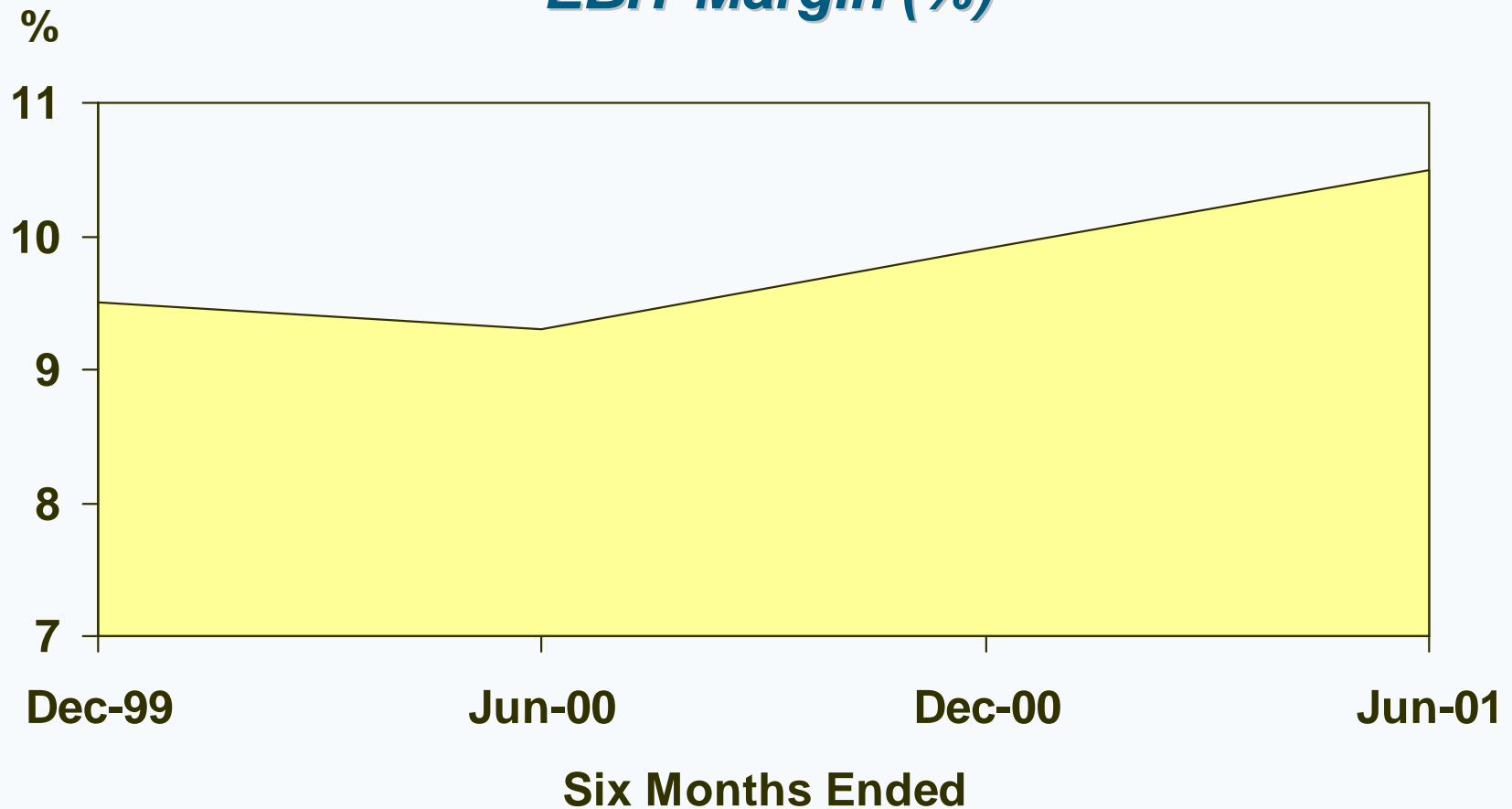
	Six Months Ended			
	31/12/99	30/06/00	31/12/00	30/06/01
Revenue \$M	161.9	166.2	186.5	201.4
EBITDA \$M	25.7	25.8	28.4	31.5
EBIT \$M	15.4	15.4	18.4	21.1

NPAT \$M	2.7	3.9	6.5	9.5
EBIT Margin %	9.5	9.3	9.9	10.5



Group Key Performance Indicators

EBIT Margin (%)





Alpha's significance for Ramsay

- **Purchase of Alpha increases our market share in NSW to 18%**
- **Ramsay clearly now 2nd biggest private hospital operator in Australia**
- **An additional 8 hospitals and 618 beds**
- **Number of Hospitals**
 - Co-location 2
 - Medical / Surgical 3
 - Rehabilitation 2
 - Psychiatric 1



Alpha's Potential

- **Where Ramsay will add value**
 - Substantial savings through Head Office synergies
 - Enhance existing relationship with Health Funds
 - Hospital management expertise
 - Lower cost of capital
- **Westmead Private Hospital offers significant potential with reduced start up risk**
- **More capacity to meet increasing demand for beds**
- **Diversification via rehabilitation - Alpha purchase rounds off our portfolio**
- **EPS positive in first year after all financing costs**



Westmead Private Hospital

- **Significant profit and growth potential**
- **136 beds**
- **Growth phase**
 - Past construction risk
 - Past commissioning risk
 - Consulting suites already opened
- **Initiatives**
- **Location advantage**
 - Largest public campus in Australia
 - High growth population
 - Improving socio-economic region





Ramsay's Strategy

- **Focus on core hospital management expertise**
 - Leaders in niche markets
- **Expand capacity of existing operations**
- **Extract maximum value from Alpha acquisition**
- **Possible further acquisitions where value accretive**
- **Investigate further growth opportunities in areas related to core competencies**
- **Consolidate balance sheet strength**



Ramsay Outlook

This Year - FY 2002

- **Increased demand for well positioned hospitals**
- **Continued improvement in health fund rates**
- **Continuing focus on cost containment and productivity**
- **Contribution from Alpha integration**
 - Spare capacity
 - Westmead Private Hospital ramping up
- **Increase occupancy**
- **North Shore Private growth to continue**
- **Reported NPAT increase around 50%**



Ramsay Health Care Outlook

FY 2003 & 2004

- **Additional capacity comes on stream**
 - Greenslopes / Hollywood / Albury Wodonga / North Shore Private
 - Alpha
- **Alpha ramp up gathers momentum**
- **Possibly other acquisitions**
- **Sustained better reimbursements from health funds**
- **Strong EBIT growth**





RAMSAY HEALTH CARE LIMITED
Additional Information
Year Ended 30 June 2001



Financial Performance

	Year Ended 30 June 2001 \$000's							
	Flinders		** Continuing Operations			Total		
	2000	2001	2000	2001	%	2000	2001	%
Operating Revenue	21,975	12,888	306,245	375,039	22%	328,220	387,927	18%
EBITDA	86	687	51,495	59,264	15%	51,581	59,951	16%
EBIT	(3,594)	(814)	34,422	40,373	17%	30,828	39,559	28%
Profit before unusual items and tax	(8,655)	(2,915)	18,617	25,327	36%	9,962	22,412	125%
Normalised NPAT	(5,539)	(2,199)	13,965	18,665	34%	8,426	16,446	95%
Unusual Items (net of tax)						* (1,810)	(462)	-
NPAT						6,616	16,004	142%

EBIT Margin		11.2%	10.8%		9.4%	10.2%
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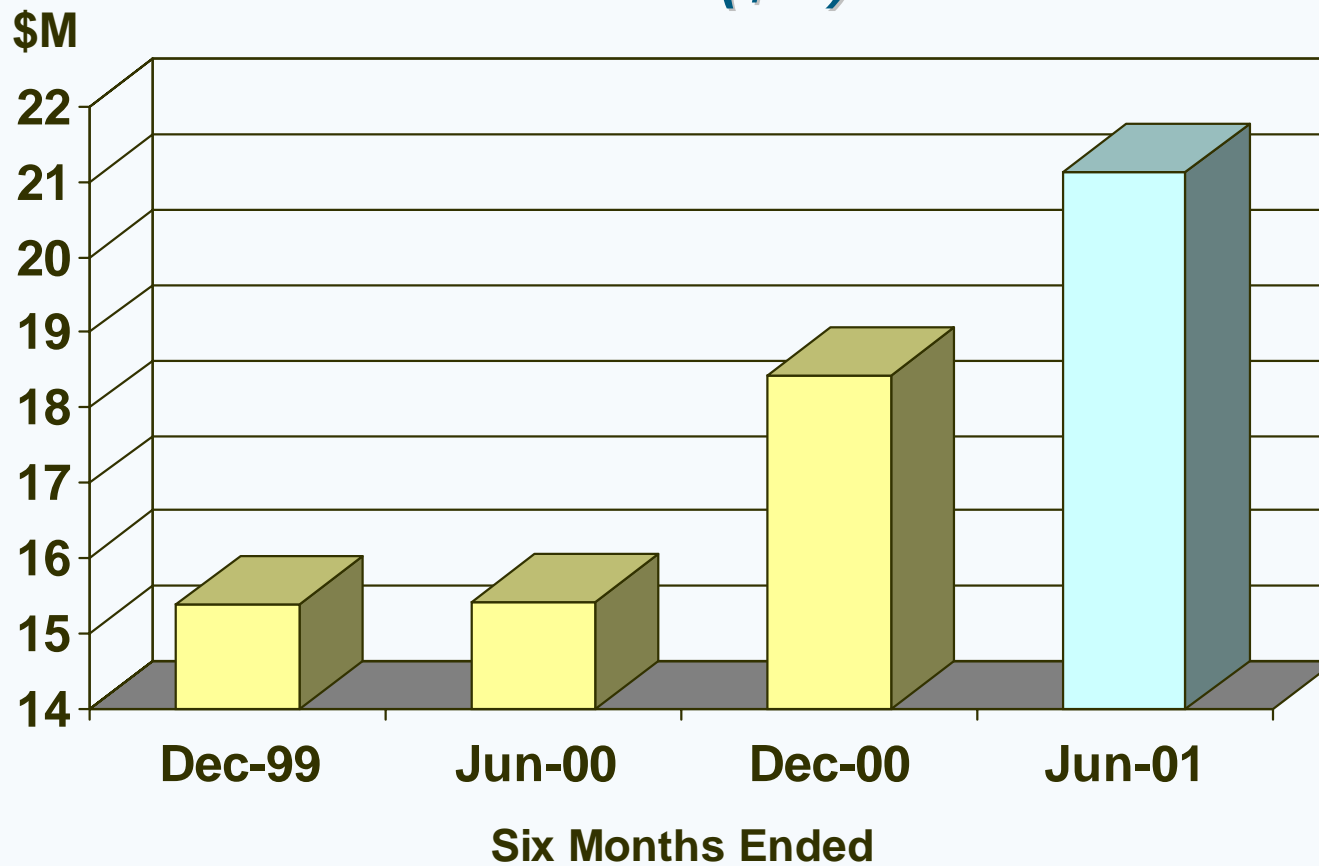
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** Continuing Operations include Alpha for the month of June 2001



Group Key Performance Indicators

EBIT (\$M)





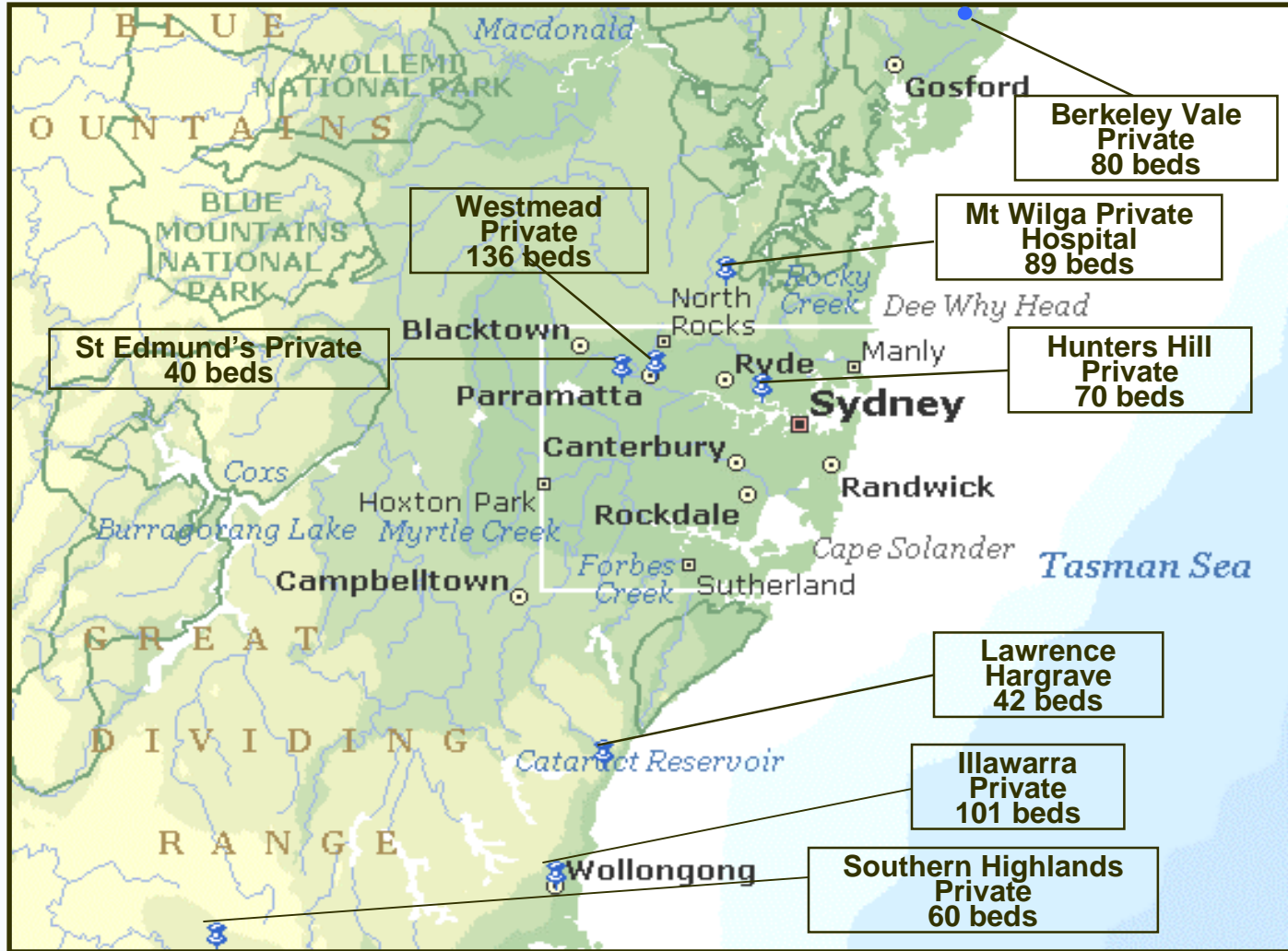
Group Key Performance Indicators

	Six Months Ended			
	31/12/99	30/06/00	31/12/00	30/06/01
Net Gearing %	113	134	88	83
ROIC (* EBIT / Funds Employed) %	6.2	7.9	10.5	** 11.7
ROE (* NPAT / Shareholders Funds) %	2.3	4.1	6.3	8.0

* Based on 12 months rolling average

** Excludes Alpha

Purchase of Alpha





Purchase of Alpha

	Medical / Surgical			Co-location		Rehabilitation		Psychiatric
	Illawarra	Hunters Hill	Berkely Vale	Southern Highlands	Westmead Private	Mt Wilga	Lawrence Hargrave	StEdmunds
Beds	101	70	80	60	136	89	42	40
Operating theatres	4	2	2	4	8			
Consulting Suites	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>			<input type="checkbox"/>
Cardiac / Cardiology	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Chemotherapy	<input type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Day Only	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General Surgery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Intensive Care / HDU	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Medical	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	
Obstetrics					<input type="checkbox"/>			
Orthopaedics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Psychiatric								<input type="checkbox"/>
Rehabilitation		<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	
Surgical	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Urology	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Vascular Surgery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			



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