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**Macquarie Connections Australia Conference
Sydney 6 May, 2010**

**Christopher Rex, Managing Director
Ramsay Health Care**





AGENDA

- About Ramsay Health Care
- Remarkable growth story
- Formula for success
- Rationale for offshore expansion
- French acquisition – overview of Proclif acquisition and French hospital sector
- Operating environment – UK and Australia
- Dec 09 Half Year results recap
- Capital management
- Outlook



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ABOUT RAMSAY HEALTH CARE

- Established in 1964
- Listed on the Australian Stock Exchange in September 1997
- Since become Australia's largest private hospital operator, approximately 30% market share
- In top 100 Australian-listed companies by market capitalisation
- Expanded offshore in November 2007 with the acquisition of Capiro UK (now Ramsay UK)
- Entered Continental Europe in March 2010 with the acquisition of a majority stake in French private hospital group Proclif
- Vision to become a major global hospital operator

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REMARKABLE GROWTH STORY

AT LISTING

(Sept 1997)

11 hospitals

1,351 beds

Annual revenues \$193M

Market cap. \$200M

Enterprise value approx. \$400M

TODAY

117 hospitals and facilities

- 65 in Australia
- 3 in Indonesia
- 40 in the UK
- 9 in France

More than 9,300 beds

- 6,580 in Australia
- 615 in Indonesia
- 1,155 in the UK
- 978 in France

Annualised revenues approaching \$4.0B

Market cap. \$2.7B

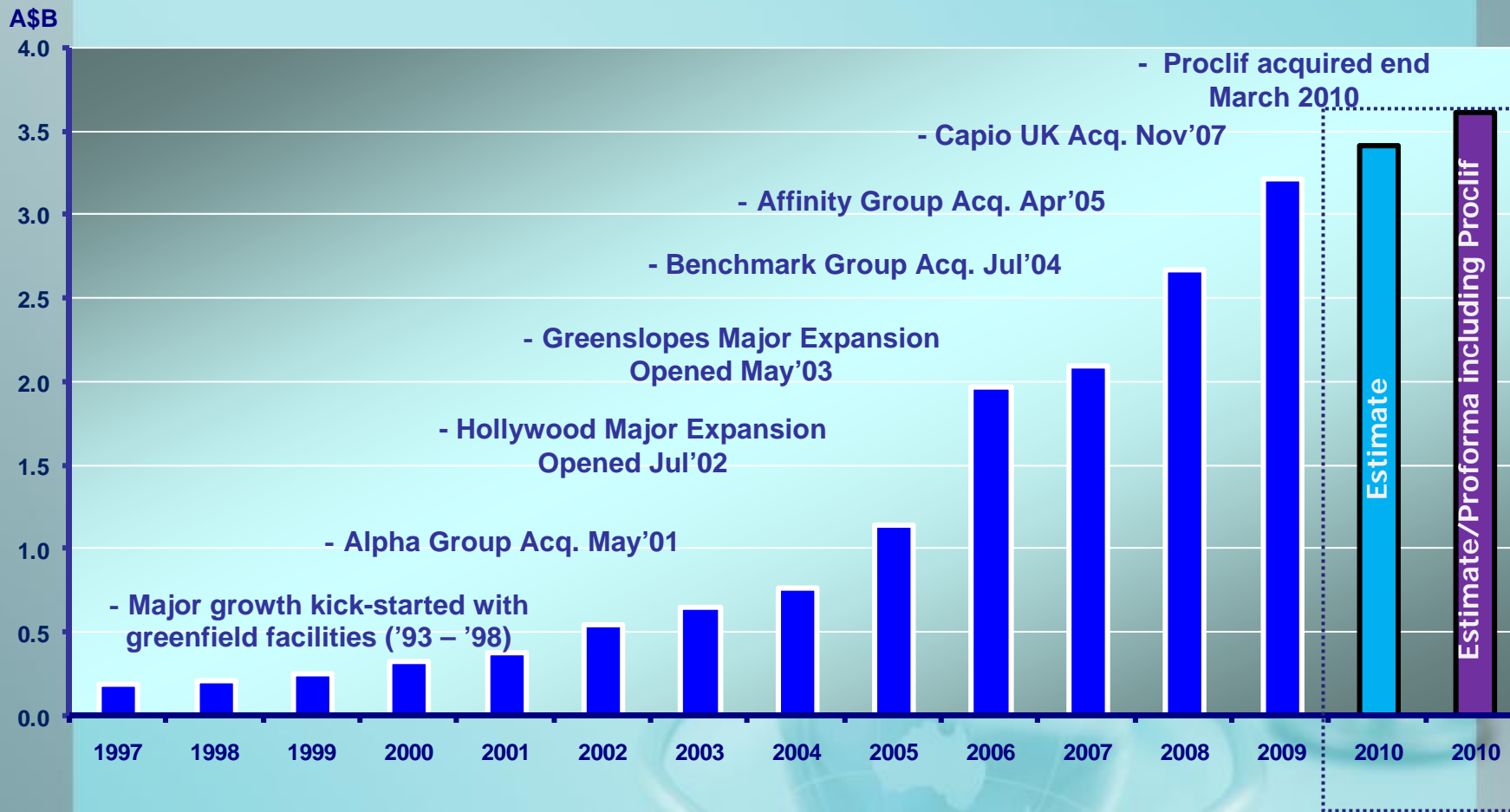
Enterprise value over \$4.0B

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REVENUE GROWTH MILESTONES



RHC Listed
24 Sep'97

Financial Year ended 30 June

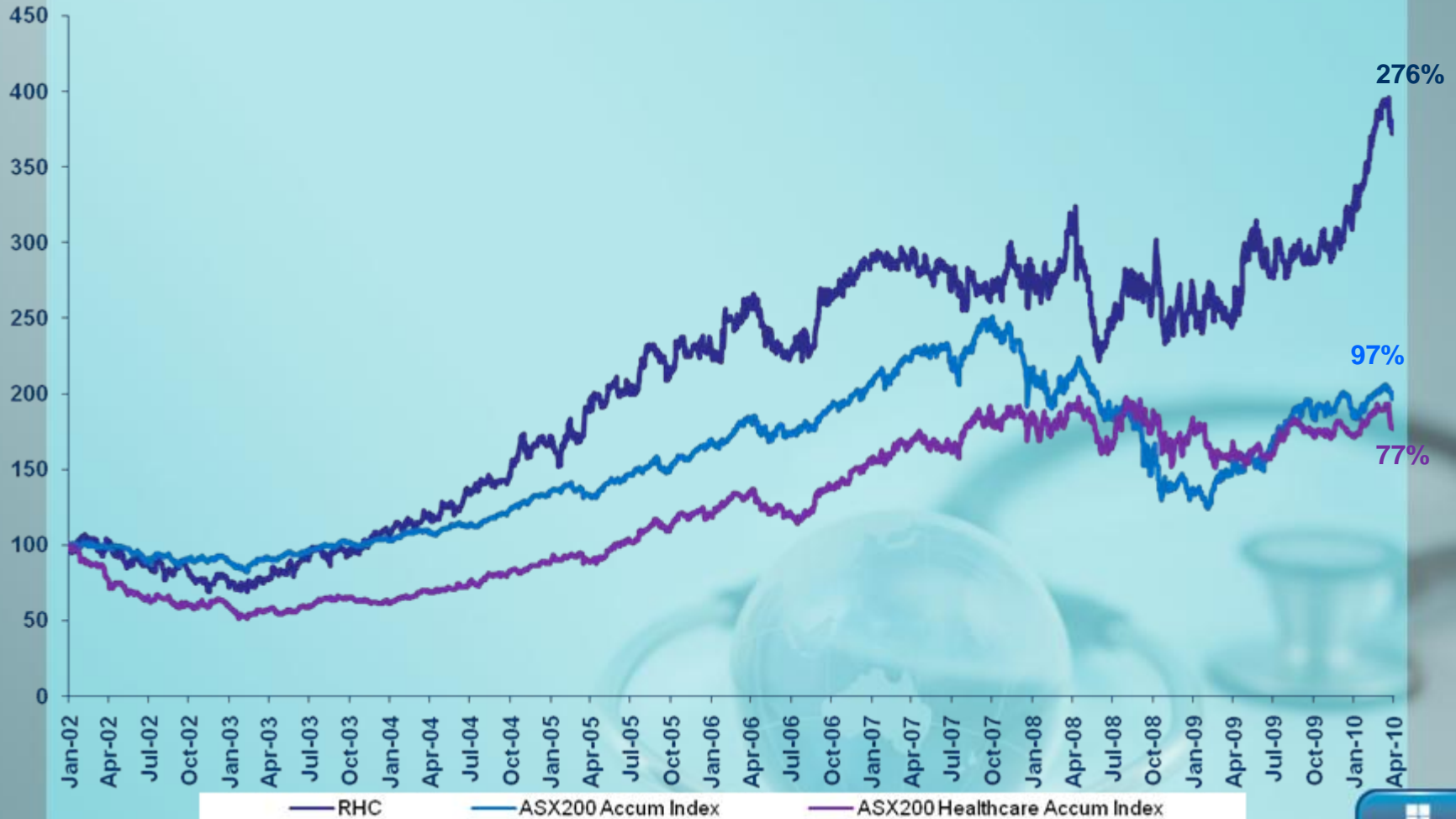
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GROWTH STRATEGY DELIVERING STRONG RETURNS

Ramsay Total Shareholder Return



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FORMULA FOR SUCCESS

- Management and culture
 - Long term, stable management team, special culture (“The Ramsay Way”), industry leadership
- Strong growth strategy
 - Organic
 - Brownfield investment (\$675M gross approved for expansion in Australia, £33M in the UK)
 - Track record of achieving ROI of 15% approx. 3 years after opening
 - Acquisitions
 - UK, France, other markets
 - Prudent approach, with acquisitions in new markets only pursued when execution/integration risks of preceding acquisitions have largely been overcome
- Financially disciplined
 - Growth only pursued if financial and strategic criteria and investment hurdles are satisfied

RATIONALE FOR OFFSHORE EXPANSION

- Competition constraints means it is difficult for Ramsay to make significant hospital acquisitions in Australia
- Ramsay can export its proven management model and blend it with local expertise and has demonstrated this in the UK
 - Marketing knowledge and skills brings growth in patient volumes
 - Ability to run our business on a relatively low revenue base
 - Ability to generate good returns from running a cost efficient business



A GLOBAL VISION





FRANCE - PROCLIF ACQUISITION DETAILS

- Acquisition of 57% interest in Proclif, the second largest private hospital group in the Paris region, for €87m
Remaining 43% interest held by Predica (wholly owned subsidiary of Crédit Agricole)
 - Enterprise value of €172m
 - Revenue ~ €133m
 - EBITDA ~ €19m
- Core EPS accretive by FY12
- Debt funded through existing Australian senior bank facility





THE FRENCH HOSPITAL SECTOR

The French acute care market is an attractive sector with strong fundamentals

Stable and popular system	<ul style="list-style-type: none">• Free choice and universal cover whether care is provided in private or public hospitals• Integrated public and private systems
Steadily growing demand	<ul style="list-style-type: none">• Underpinned by strong demographics :<ul style="list-style-type: none">– Ageing population– Increasing birth rate– Growth in outpatient treatments
Sensible and sustainable funding regime	<ul style="list-style-type: none">• DRG pricing system with regulated yearly increases set by authorities during national health budgeting exercise• 92% of cost of care to patient covered by social security; top-up PMI cover remaining costs including consultant fees and additional services
High barriers to entry	<ul style="list-style-type: none">• Tightly regulated supply<ul style="list-style-type: none">– Strict authorisation process for any creation or change in capacity per specialty• Only way to penetrate market is through acquisitions
Highly fragmented market	<ul style="list-style-type: none">• Limited market share of the private sector• Highly fragmented market: 400+ small operators• 5 largest operators represent 27% of private market share• Market opportunity for consolidation through acquisition of regional clusters to develop a solid national position



OPERATING ENVIRONMENT - UK

- UK economy showing some signs of recovery
- Potential for PMI and self-pay volumes to improve
- Business as usual post UK election
 - Support for competitive market for NHS services to continue
 - Opportunities for increased private sector role will continue to emerge
- Negotiations for Wave 1 ISTC contracts finalised
 - 6 month extension granted for 3 ISTCs
 - Remaining ISTCs operating under the “Any Willing Provider” framework



OPERATING ENVIRONMENT – AUSTRALIA

- Robust operating environment
- the 2010 intergenerational report confirms strong growth in future demand for health care
 - Population growth
 - Ageing population
 - Rising demand for higher quality care
 - Higher incidence of chronic diseases
 - New technologies improving life expectancy
- Bipartisan support for balanced system
- Government response to the Henry Tax Review indicates little impact for the health industry



OPERATING ENVIRONMENT – AUSTRALIA

- Private hospitals are an integral part of Australia's health system
 - Private hospitals provide 99% of procedures and treatments that are provided in public hospitals
 - 40% of all patients are treated in private hospitals; forecast to grow to 50% by 2021 (3.1M to 6.5M patients per annum)
- Private health insurance plays vital funding role
 - PHI contributed more than \$11B toward health care provision in the past year
- Private health insurance remains attractive
 - Percentage of population with hospital treatment insurance coverage at 31 December 2009, steady at 44.7%



OPERATING ENVIRONMENT – AUSTRALIA

- Proposed health care reforms expected to have benign impact on private health system
 - Reforms will not change fundamentals driving future demand for health care or value proposition of the private health system
 - Ramsay very well placed to capture opportunities that might arise from reforms
 - Greater access to private hospitals to help meet mandatory performance targets
 - Emergency department funding proposal could stimulate private investment to increase capacity and improve waiting times
- Private hospitals have a valid role to play in health reform and will be part of the solution



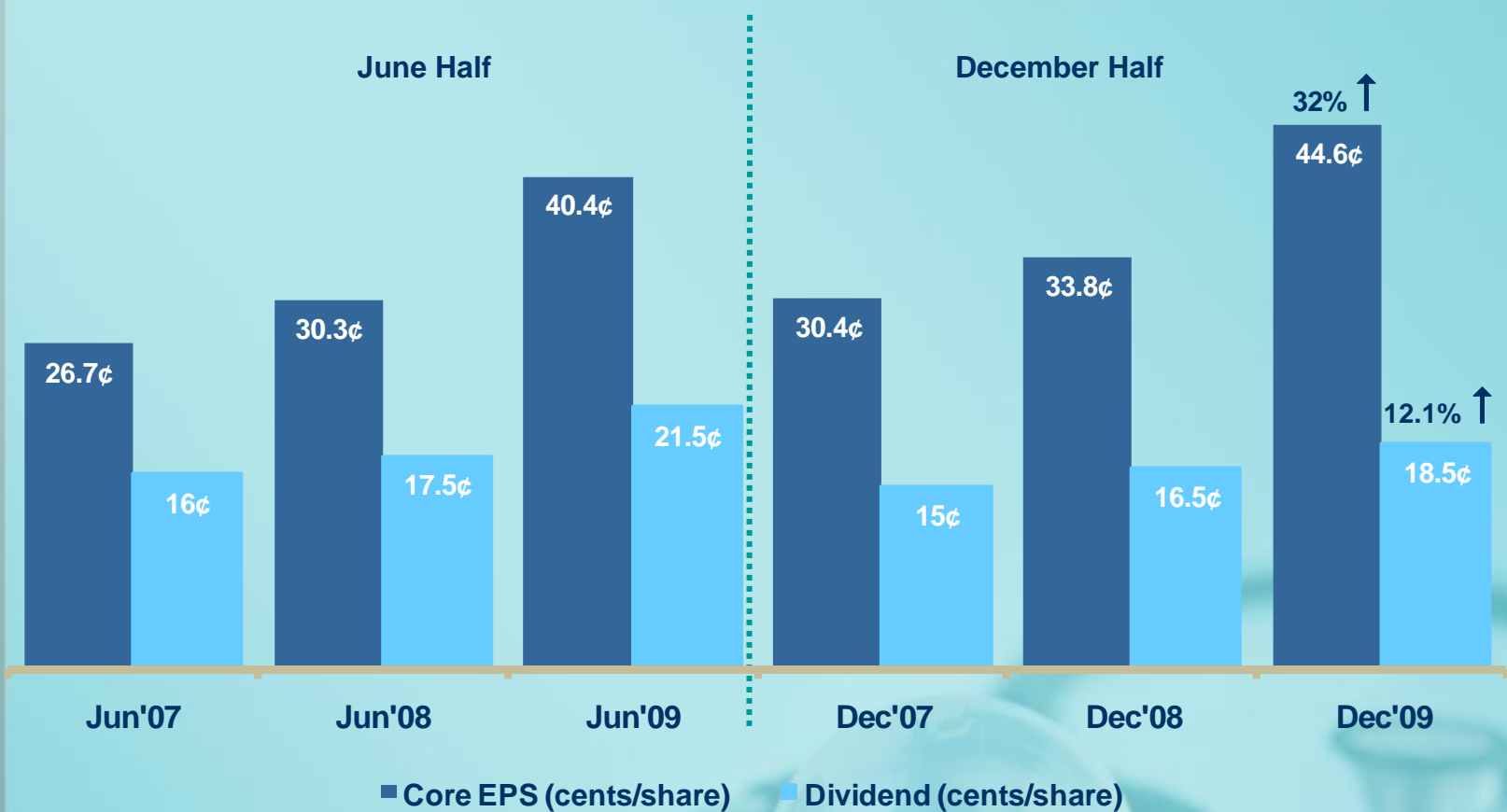
RECAP OF DEC 09 HALF-YEAR FINANCIALS

Strong rise in Group core net profit for six months ended 31 December 2009, reflects underlying strength of the business

- Core net profit after tax* up 32.7% to \$91.1 million
- Core EPS* up 32% to 44.6 cents
- 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%

*Core NPAT and Core EPS are before specific items and amortisation of intangibles

GROUP CORE EPS AND DIVIDEND GROWTH



- Core EPS up 32% to 44.6 cents from 33.8 cents in the prior period
- Interim dividend up 12.1%, tracking full-year guidance for core EPS growth of 10%-12%
- Capacity to grow dividends highlights resilience of our business

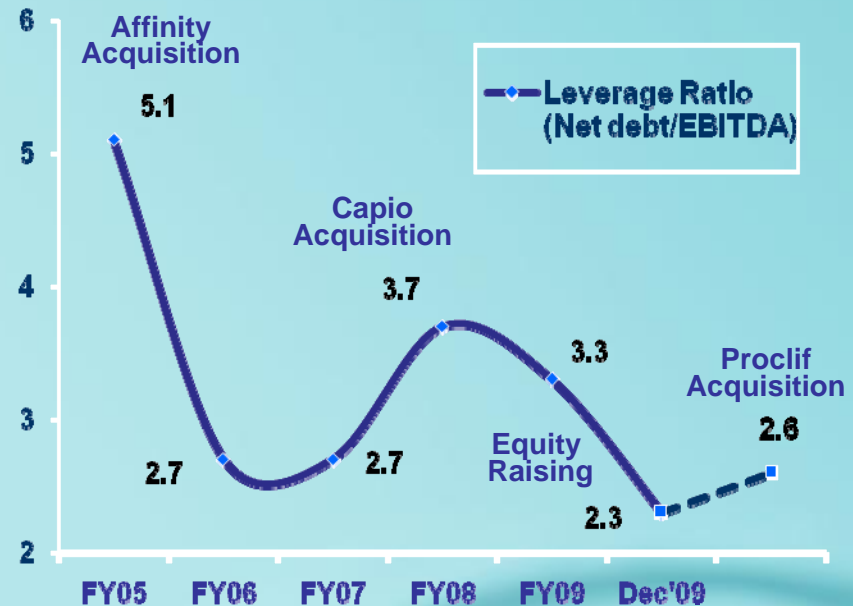
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CAPITAL MANAGEMENT

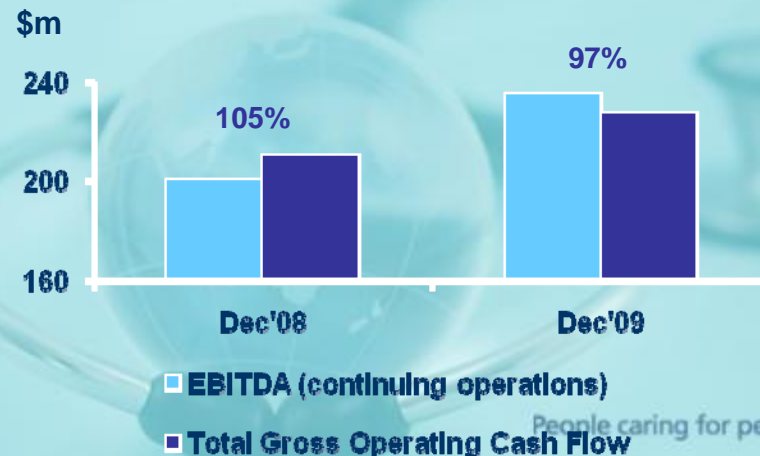
Debt profile

- Committed senior bank debt facilities of ~ \$1.9 billion in place until November 2012
- Successfully completed \$260M equity raising (Sept/Oct 2009)
- Headroom of \$500M-\$600M after allowing for Proclif acquisition and funding of current brownfield commitments



Cashflow

- Approximately 75% of debt is hedged at fixed rates
- High cash conversion rate of EBITDA to gross operating cash flow (95%-105%)





CAPITAL MANAGEMENT

CARES

- May be converted to ordinary shares or exchanged at Ramsay's election in October 2010
- If not converted or exchanged, dividend rate would step up by 2.0%
- Ramsay will continue to assess the most appropriate alternative in the lead up to the Exchange Date

ROI

- Track record of achieving 15% *ROI on each new development and acquisition after “ramp up”
- Group ROI currently 14.5%

*ROI = $EBIT / \text{shareholder funds} + \text{net debt}$

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OUTLOOK

- Continuing strategy to become a major global hospital operator
- Business in excellent shape
- Demographic pressures to drive growth in health care demand over medium and longer term
- Seeking expansion and acquisition opportunities in the UK, France and other markets
- Barring unforeseen circumstances, Ramsay is targeting core NPAT growth of 18%-20% for the Group (including Proclif) in FY10, translating to core EPS growth of 10%-12%



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QUESTIONS

