



RAMSAY HEALTH CARE



UBS Australian Healthcare Conference
6 November, 2008
Chris Rex, Managing Director



People caring for people



people caring for people



AGENDA

People caring for people



People caring for people



RAMSAY HEALTH CARE

- Ramsay investment profile
- Well positioned in a robust industry
- MLS update
- Balanced healthcare system
- PHI incentives maintained
- FY08 financial highlights
- Brownfields progress Australia and the UK
- Ramsay UK update
- Outlook

RAMSAY INVESTMENT PROFILE

People caring for people



People caring for people

RAMSAY HEALTH CARE

- Australia's largest private hospital operator and one of the largest private hospital operators in the world
- Present on three continents: Australia, Asia and Europe
- More than 100 hospitals and facilities
 - 64 in Australia, 3 in Indonesia, 36 in the UK
- More than 8,400 beds
 - 6,724 in Australia, 615 in Indonesia, 1,098 in the UK
- Approx. 25,000 staff
- Long-term, stable management team
- Annualised revenues of more than \$3.0 billion
- Enterprise value approx \$3.3 billion

WELL POSITIONED IN A ROBUST INDUSTRY

People caring for people



People caring for people



RAMSAY HEALTH CARE

- Ramsay is a growth company operating in a robust industry and is well positioned in the current climate of economic uncertainty
 - Operates in a defensive sector
 - Business generates strong and consistent cash flow
 - Diversified revenue by source and region
 - A clear and disciplined growth strategy

- The defensive characteristics of the health care sector make it an excellent industry to be in
 - Ageing population
 - “Baby boomer” bulge
 - Wealth demographic
 - Consumer attitudes to health and wellbeing
 - Increased expectations
 - Increased capabilities
 - Surgical techniques
 - Devices
 - Pharmacology
 - Biotechnology

STRONG CASH FLOW & FINANCIAL MANAGEMENT

People caring for people



People caring for people

RAMSAY HEALTH CARE

- Ramsay is very focused on cash flow and working capital management
- Business generates strong and consistent cash flow which underwrites debt servicing
- Senior debt facilities were refinanced in November 2007
 - Committed debt funding until November 2012
 - Headroom provided for further growth opportunities beyond current brownfields programme
- Ramsay has a conservative approach to the management of interest rate exposure
 - Interest rate exposure on approx 75% of current drawn debt is hedged for periods of 1-4 years

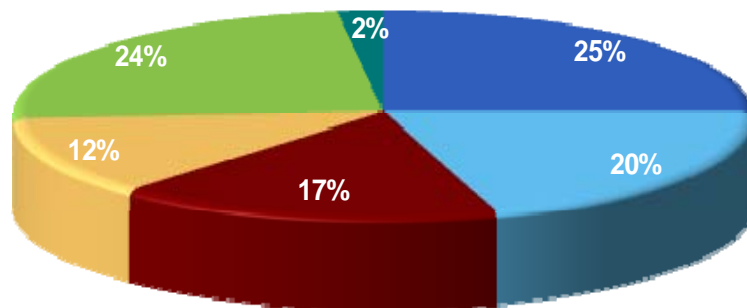
DIVERSIFIED REVENUE – PAYER PROFILE

People caring for people

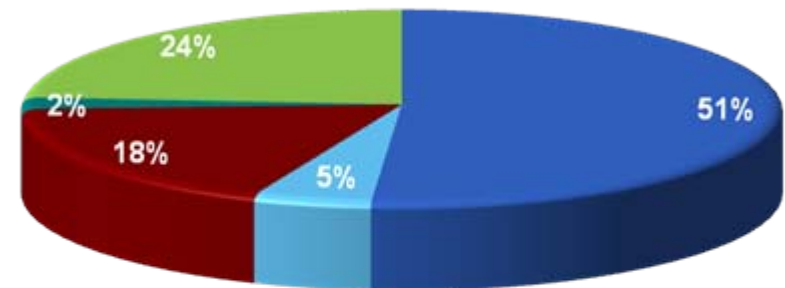


RAMSAY HEALTH CARE

REVENUE BY REGION



REVENUE BY PAYER



- Diverse revenue source by payer mitigates risk

CLEAR AND DISCIPLINED GROWTH STRATEGY

People caring for people



People caring for people



RAMSAY HEALTH CARE

- Organic growth
 - Optimising growth at existing hospitals
 - Micro management
- Investing in existing business
 - Improving the quality of our facilities
 - Brownfield expansion programme
- Focused on growing and developing the UK business
- Acquisitions – hospitals and/or health care businesses close to core competencies
 - Australia and overseas
 - Financially disciplined approach

- Compromise reached on Medicare Levy Surcharge (MLS)
- Income threshold raised to \$70,000 for singles and \$140,000 for couples
- Fundamentals of Private Health Insurance remain attractive
- Little or no effect on patient volumes anticipated
- Relatively modest affect on PHI premiums
- Ramsay well positioned to withstand any pricing pressure
- All FY09 contracts with private health insurers locked in

BIPARTISAN SUPPORT FOR BALANCED HEALTH CARE SYSTEM

People caring for people



RAMSAY HEALTH CARE

- Australia's balanced health care system is working and has bi-partisan support
 - *“I believe the days of viewing the health system as a dichotomy between public and private provision are behind us”.*
 - *“The Rudd Labor Government is genuinely of the view that a mixed system works best”.*

(Minister for Health and Ageing Nicola Roxon, AHIA Annual Conference 8 October, 2008)

- Government is committed to maintaining key health insurance incentives

“The Government will maintain the current system of incentives – the Rebate, Lifetime Health Cover and the Medicare Levy Surcharge...”

(Minister for Health and Ageing Nicola Roxon, APHA National Congress 27 October, 2008)

2008 FINANCIAL YEAR HIGHLIGHTS

People caring for people



People caring for people



RAMSAY HEALTH CARE

- Strong rise in Group core net profit, underpinned by solid organic Australian growth
 - Australian business achieved strong EBIT growth across all states
 - Core EPS growth of 11.8%, at higher end of guidance
 - Australian brownfields progressing well
 - Ramsay UK exceeded expectations
 - Strong UK demand supporting significant investment in capacity
 - Committed debt funding to November 2012

GROUP FINANCIAL PERFORMANCE

People caring for people



150616 09100 101 00016



RAMSAY HEALTH CARE

YEAR ENDED 30 JUNE					
	2008 \$m			2007 \$m	% Inc
Continuing Operations	Australia & Indonesia	UK	Group	Group	
Operating Revenue	2,289.2	384.5	2,673.7	2,099.1	27.4%
EBITDAR*	327.1	87.5	414.6	294.1	40.9%
EBITDA	303.4	37.8	341.3	272.1	25.4%
EBIT	234.7	19.9	254.7	211.5	20.4%
Core NPAT – continuing operations **	124.2	(1.1)	123.1	110.4	11.5%
Core EPS – continuing operations **			60.7¢	54.3 ¢	11.8%
Full year dividend – fully franked			32.5 ¢	29.0 ¢	12.1%

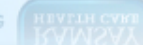
*EBITDAR (Earnings Before Interest Tax Depreciation Amortisation and Rent) is the most comparable indicator as UK hospitals are leased
 **Core NPAT and Core EPS – continuing operations, are before specific items, amortisation of intangibles and divested operations

BROWNFIELDS PROGRESS – AUSTRALIA

People caring for people



People caring for people



RAMSAY HEALTH CARE

- Ramsay has committed and approved \$550M for expansion projects in Australia. Approx 35% already spent
- Key projects include:

Hospital	Project
Hollywood (Perth)	4 theatres, additional 84 beds, extra consulting suites, expansion of day surgery admission unit, endoscopy unit,
Joondalup (Perth)	Private: Development of additional 85-beds and associated private hospital support services
North West (Brisbane)	7 new consulting suites, 5 sessional suites, 2 theatres, expanded day surgery
John Flynn (Gold Coast)	Relocation and development of 18 extra rehab beds, creating 20 extra orthopaedic beds
Greenslopes (Brisbane)	Outpatient dept. refurbishment, 26 new consulting suites, ward refurbishment to private patient standard
North Shore Private (Sydney)	57 additional inpatient beds, 5 theatres, extra consulting suites and day surgery

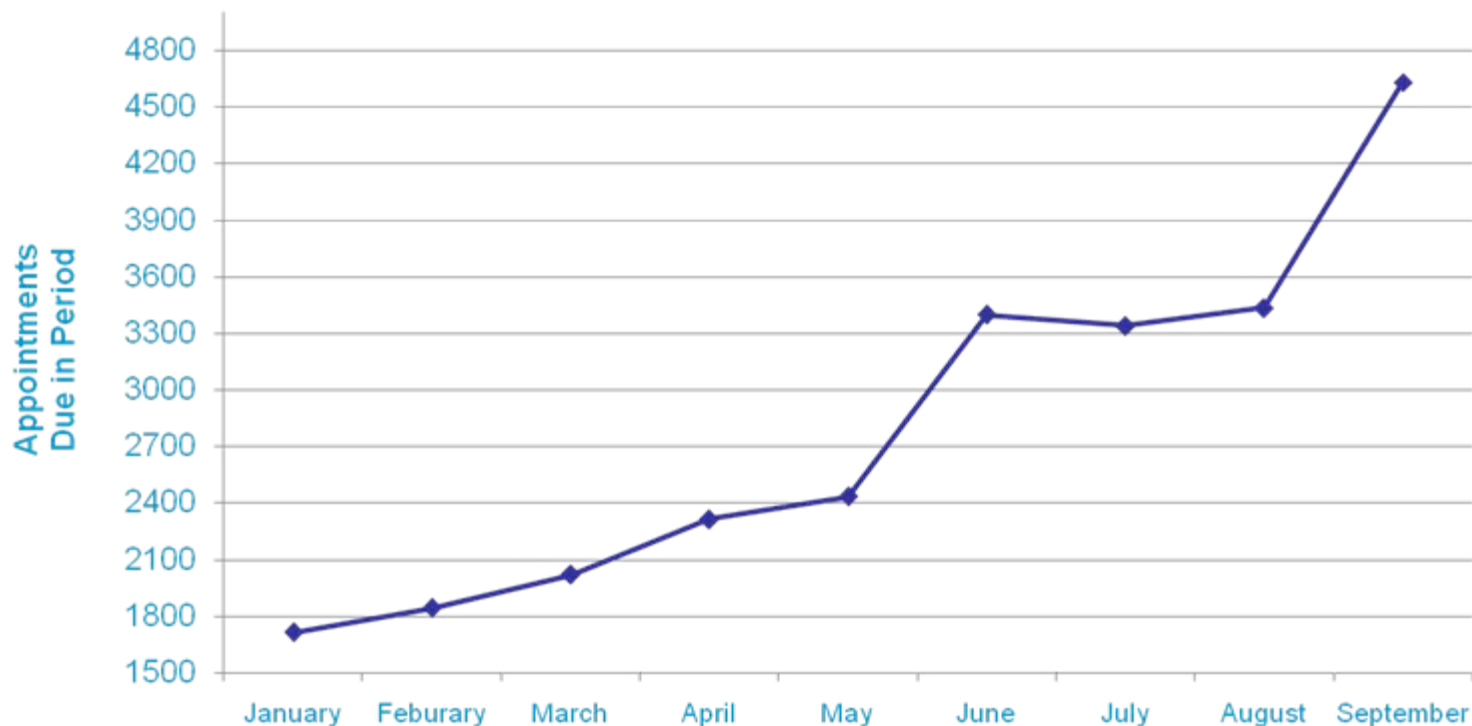
- Ramsay continues to assess additional brownfield projects that meet our strict investment criteria



- Increasing NHS demand driving significant investment in capacity expansion at hospitals
 - Capex of £28M approved to be spent over FY09 and FY10
 - Will provide 17% increase in hospital operating capacity through theatre expansion
 - Target ROI of at least 15%, 2-3 years after completion

- Ramsay UK continues to perform strongly
 - Strong rise in NHS activity both at private hospitals and Independent Sector Treatment Centres (ISTCs) for July-September over prior year
 - Patient choice to be enshrined in legislation
 - Ramsay UK is the leading player in the Independent Sector for Choose & Book (CAB)

Growth of CAB Ramsay UK



The running rate of CAB appointments has increased by approx. 170% from January to September 2008

- Ramsay well positioned in current climate of economic uncertainty
- Strong industry fundamentals to underpin future growth
- Ramsay UK on track to be EPS accretive in FY09, as previously forecast
- Ramsay on track for core EPS growth of 10% to 12% for the total Group for FY09, as previously forecast



RAMSAY HEALTH CARE

QUESTIONS



People caring for people



people caring for people

