Australia and New Zealand
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RAMSAY HEALTH CARE

AGENDA

- About Ramsay Health Care
- Remarkable growth story
- Formula for success
  - Management & culture
  - Strong growth strategy
  - Financially disciplined
- Half-year financial overview
- Australian market dynamics
- Rationale for offshore expansion
- UK market dynamics
- Strategy for Ramsay UK
- Outlook

ABOUT RAMSAY HEALTH CARE

- Established in 1964
- Listed on the Australian Stock Exchange in September 1997
- Since become Australia's largest private hospital operator, approx. 30% market share
- In top 75 Australian-listed companies by market capitalisation
- Expanded offshore in November 2007 with the acquisition of Capio UK (now Ramsay UK)

REMARKABLE GROWTH STORY

AT LISTING (Sept 1997)	TODAY
11 hospitals	More than 100 hospitals and facilities • 65 in Australia • 3 in Indonesia • 38 in the UK
1,351 beds	More than 8,400 beds • 6,724 in Australia • 615 in Indonesia • 1,098 in the UK
2,000 staff	Approx. 25,000 staff
Annual revenues $193M	Annualised revenues of more than $3B
Market cap. $200M Enterprise value approx. $400M	Market cap. $1.75B Enterprise value over $3B

Note: All values are in Australian dollars unless otherwise specified

AUSTRALIA & INDONESIA

Ramsay Health Care is Australia's largest operator of private hospitals

Australia – 65
Western Australia – 4
South Australia – 3
Victoria – 16
New South Wales – 27
Queensland – 15

Indonesia – 3

UNITED KINGDOM

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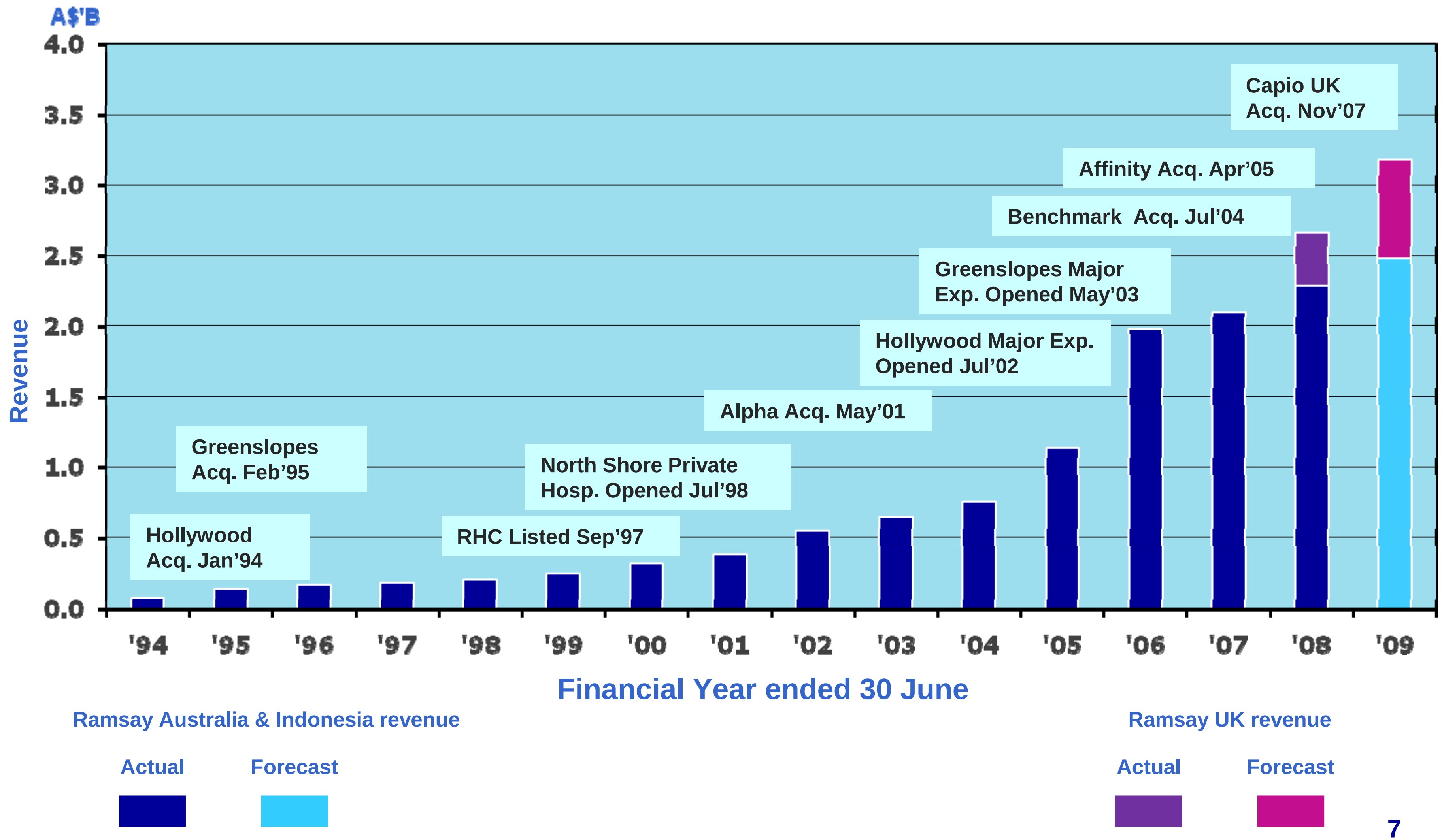
England –

Hospitals – 25
Day surgery facilities – 11
Neuro-rehabilitation homes – 2
Diagnostic services

REVENUE GROWTH MILESTONES



FORMULA FOR SUCCESS – MANAGEMENT & CULTURE

- The Ramsay vision
  - To deliver high quality care while ensuring long term profitability
- Long term, stable management team
  - Benchmarked operational leaders
  - Good relationship with key industry players
- Special culture (“The Ramsay Way”)
  - Recognised for our commitment to staff by empowerment through a decentralised management model
- Industry leaders
  - Education, medical teaching, nurse training
  - In HR practice - employer of choice
  - Proactive in shaping the health care environment we operate in

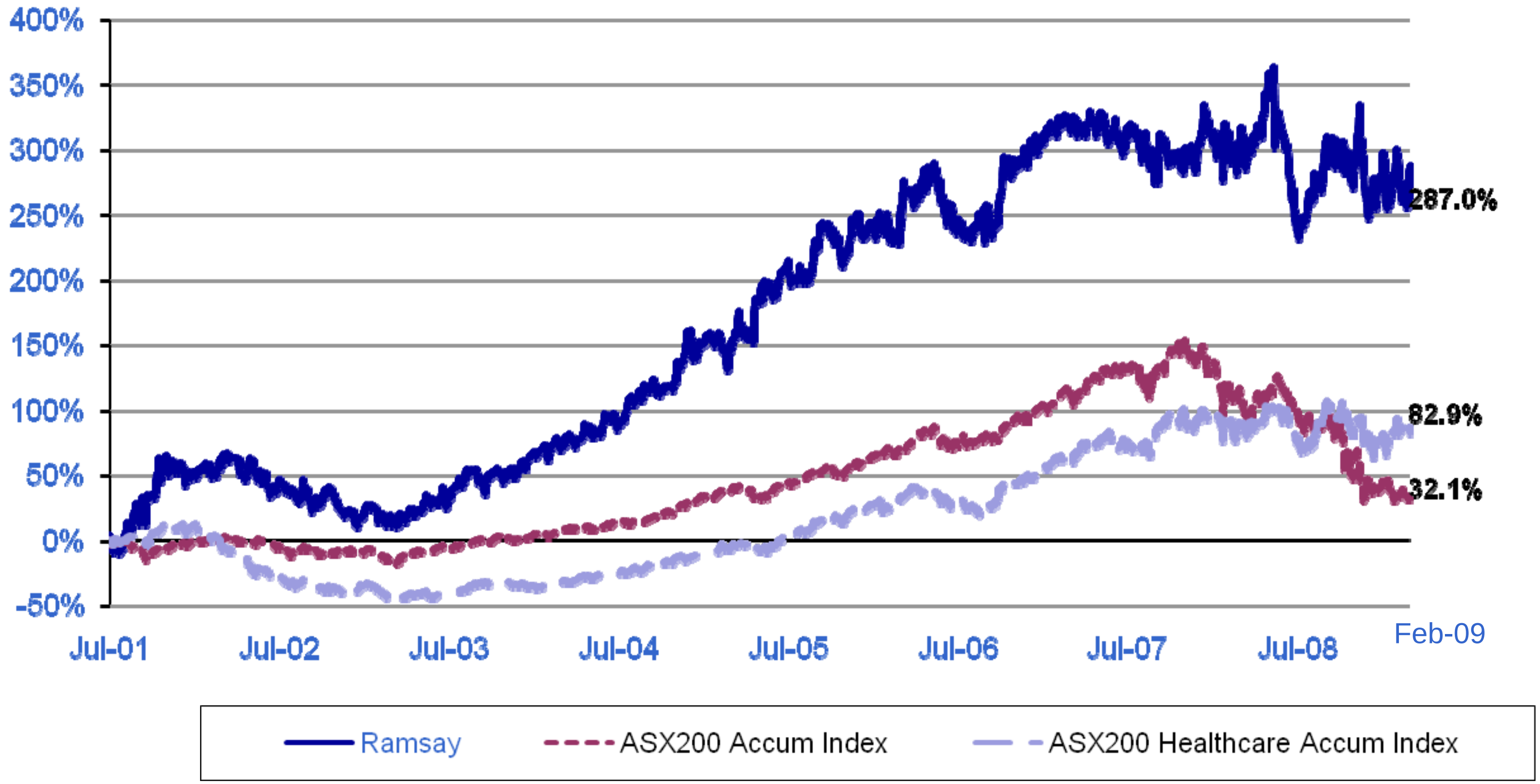
FORMULA FOR SUCCESS – STRONG GROWTH STRATEGY

- Ramsay has three major drivers of growth:
  - Organic growth:
    - Underpinned by patient demographics
    - Quality portfolio of hospitals
    - Continual business management improvement
  - Brownfields:
    - Investing A$580 million (net) to expand and improve Australian hospitals in areas of high-patient demand
    - Investing £28 million to expand and improve Ramsay UK facilities over FY09 and FY10 to satisfy growing NHS demand
  - Acquisitions:
    - Continuing to research a number of hospital markets, and other areas close to core competencies
    - Must add long-term value to shareholders

FORMULA FOR SUCCESS – FINANCIALLY DISCIPLINED

- Growth only pursued if financial and strategic criteria and investment hurdles are satisfied
  - Targeting 15% ROI over the short-to-medium term
- Willing to consider investments outside hospitals if financial criteria are met and if compatible with hospitals
- Ramsay has a proven track record in successfully integrating acquisitions

Ramsay Total Shareholder Return



Source: Citi

Strong rise in Group net profit six months ended 31 December 2008

- Core Net Profit After Tax up 11.6% to $68.7 million
- Core EPS up 11.0% to 33.8 cents
- Group revenues up 35.5% to $1.6 billion
  - Australia and Indonesia revenue up 12.0% to $1.3 billion
- Group EBIT up 23.3% to $148.7 million
  - Australia and Indonesia EBIT up 10.9% to $134.0 million
- UK business performing strongly, in line with previously upgraded guidance
- Interim dividend 16.5 cents fully franked, up 10.0%

GROUP FINANCIAL PERFORMANCE

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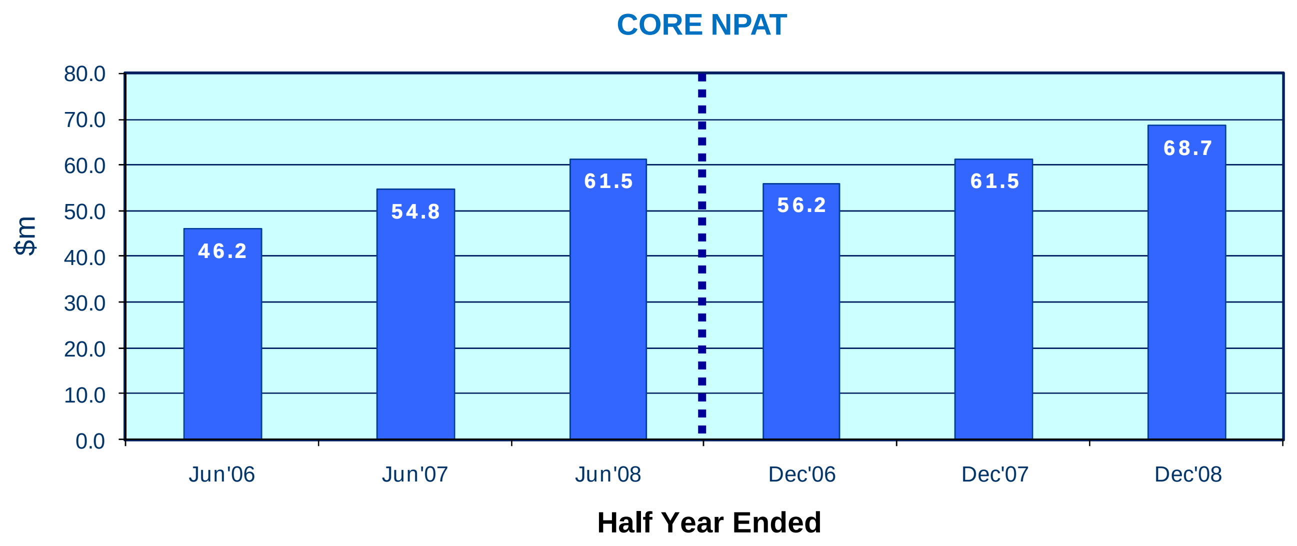
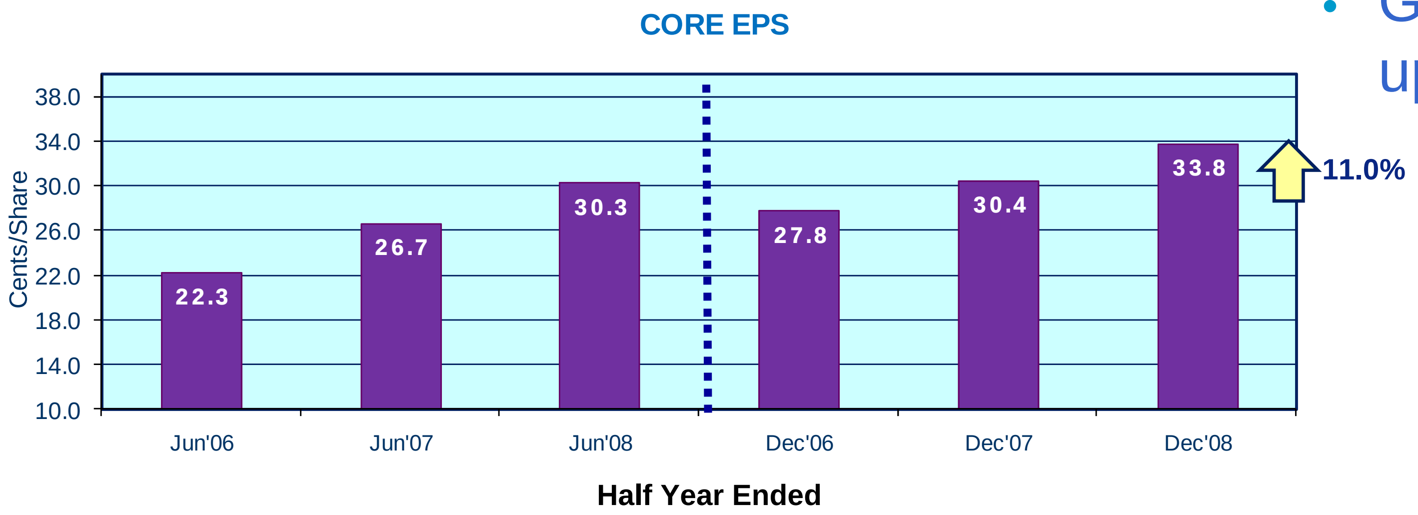
RAMSAY HEALTH CARE

	HALF YEAR ENDED 31 DECEMBER				
	2008 $m			2007 $m	% Increase
Continuing Operations	Australia & Indonesia	UK (1)	Group (1)	Group (1)	
Operating Revenue	1,264.1	343.6	1,607.7	1,186.7	35.5%
EBITDAR (2)	183.8	74.1	258.0	177.1	45.6%
EBITDA	171.4	30.4	201.8	157.0	28.5%
EBIT	134.1	14.7	148.7	120.6	23.3%
Core NPAT – continuing operations (3)			68.7	61.5	11.6%
Core EPS – continuing operations (3)			33.8 ¢	30.4 ¢	11.0%
Interim dividend – fully franked			16.5 ¢	15.0 ¢	10.0%
EBITDAR Margin % (2)			16.0%	14.9%	110 bps

1. The half-year result to 31 December 2008 includes a full six-month contribution from Ramsay UK. (HY December 07 includes approximately 1.5 months only)
2. EBITDAR (Earnings Before Interest Tax Depreciation Amortisation and Rent) is the most comparable indicator as UK hospitals are leased
3. Core NPAT – continuing operations, and Core EPS – continuing operations are before specific items, amortisation of intangibles and divested operations

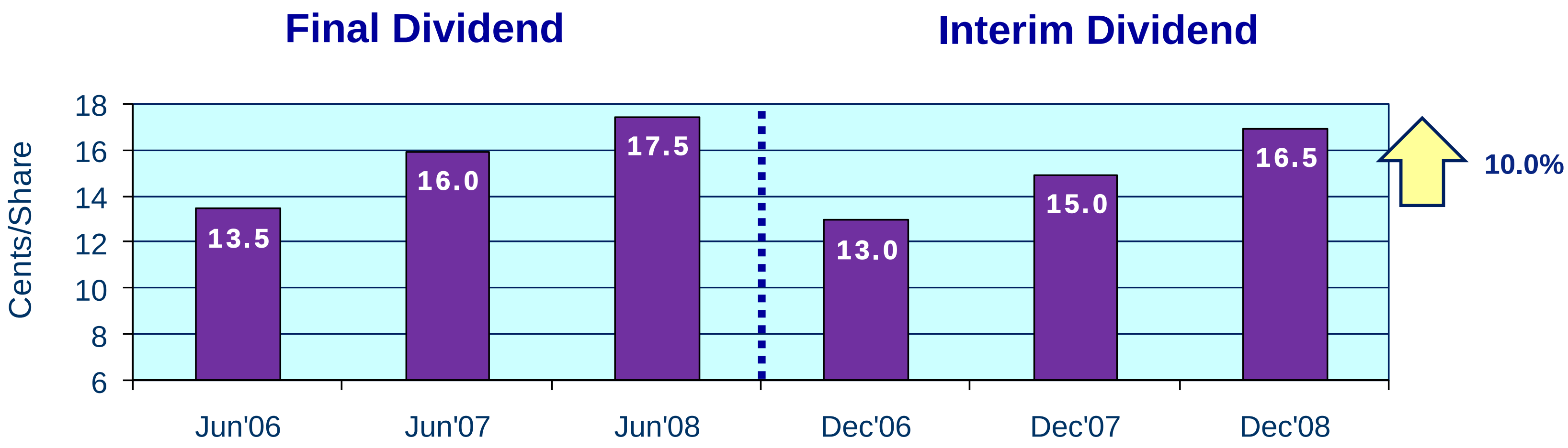
GROUP CORE NPAT AND EPS





- Group core NPAT up 11.6%
- Group core EPS up 11.0%

INTERIM DIVIDEND



- Interim dividend up 10.0%, tracking growth in core EPS of 11.0%
- Capacity to grow dividends highlights resilience of our business

STRONG CASH FLOW AND CAPITAL MANAGEMENT

- Ramsay is very focused on cash flow and working capital management
- High cash conversion of EBITDA to gross operating cash flow of over 100%
- Business generates strong and consistent cash flow which underwrites debt servicing
- Ramsay has committed debt funding in place until November 2012
  - Undrawn portion of facility provides Ramsay with adequate headroom not only for its capital expansion programme but for future growth opportunities

STRONG CASH FLOW AND CAPITAL MANAGEMENT (cont)

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- Ramsay adopts a conservative approach to management of interest rate exposure
- Leverage ratio (net debt/EBITDA) currently 3.5 x and well within bank covenants
- Leverage ratio is expected to trend down as a result of increased profitability and cash flows generated from organic business growth and ramp up of our brownfield developments

FINANCIAL PERFORMANCE - AUSTRALIA & INDONESIA

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	HALF YEAR ENDED 31 DECEMBER		
Continuing Operations	2008 $m	2007 $m	% Increase
Operating Revenue	1,264.0	1,127.5	12.1%
EBITDAR	183.8	165.3	11.2%
EBITDA	171.4	153.8	11.4%
EBIT	134.1	120.9	10.9%

- Australia and Indonesia, the Group's historical base operations, up strongly on all operating levels

OPERATIONAL HIGHLIGHTS – AUSTRALIA & INDONESIA

- Australia & Indonesia revenue growth up 12.1%
- Australia & Indonesia EBIT growth up 10.9%
- Australia & Indonesia EBITDA hospital margins (excluding prostheses) rose to 18.2% from 18.0%
- Total admissions for Ramsay's Australian and Indonesian hospitals up 6%
- Positive EBIT growth in all states
- Building good working relationship with Federal Government

OPERATIONAL HIGHLIGHTS – UK

- NHS (National Health Service) work is continuing to grow in private hospitals, now comprises more than 40% of Ramsay UK admissions, up from 20% a year ago
- Whilst NHS volumes grow, PMI (Private Medical Insurance) remains stable
- Patient referrals to ISTCs (Independent Sector Treatment Centres) up 25% on the prior year
- Operating margins before rent remain strong at over 20%

RAMSAY UK – GROWTH OF 'CHOOSE AND BOOK'

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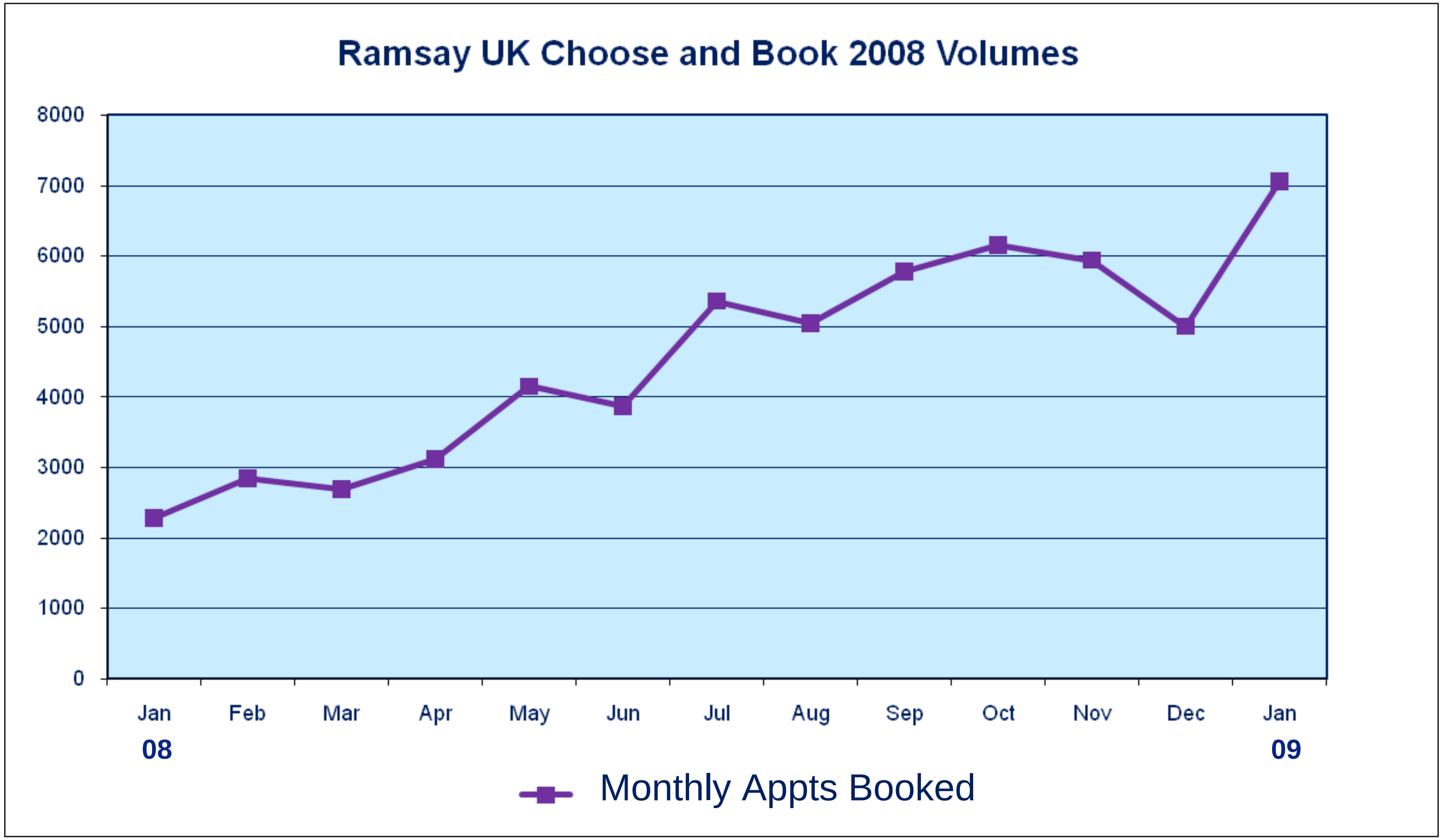

Source: Connecting for Health

AUSTRALIAN MARKET DYNAMICS

- Bipartisan support for a balanced health care system
- 30% Government tax rebate for private health insurance membership
- 44.8% of all Australians covered by private health insurance

AUSTRALIAN MARKET DYNAMICS (cont)

- Government legislative and regulatory support
- Favourable demographics (i.e. ageing population)
- Private health care largely funded by consumers and is inexpensive for the service provided
  - Very different environment from USA for example

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
  - Ability to run our business on relatively low revenue base
  - Ability to generate good returns from running a cost efficient business
  - Focussed marketing will help us grow patient volumes

UK MARKET DYNAMICS

- Exciting market dynamics
  - Major reform in publicly funded health care
  - Patient Choice in the process of becoming a legal right
  - Government committed to sustaining its investment in the NHS, despite the economic downturn
  - Relatively stable PMI market
  - Aggressive waiting list targets

- Similar environment
  - UK and Australian markets are very similar, ability to export Ramsay's model

STRATEGY FOR RAMSAY UK

- Integration largely complete
  - Remaining work focused on improvements and efficiencies
- Focused on developing and growing the business
- Ramsay has approved £28 million to be spent over 2009 and 2010 financial years for improvements and capital expansion to satisfy growing NHS demand
- Bolt-on opportunities will be pursued where value enhancing
- Provides platform to expansion into wider European market

OUTLOOK

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RAMSAY HEALTH CARE

- Ramsay's underlying business remains solid and tracking in line with expectations
- Ramsay is well positioned in current climate
- Strong industry fundamentals to underpin future growth
- Ramsay UK on track to be EPS accretive in FY09, one year ahead of schedule (as per previously upgraded guidance)
- Benefits from lower interest rate environment means Ramsay will, barring unforeseen circumstances, likely exceed original guidance for core EPS growth of 10% to 12% for the Group for FY09

QUESTIONS

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